#### Khartoum **UK** mortgage revokes price costs rise in rises in face wake of base of protests rate shifts

The Sudanese Government, facing its most serious chal-lenge since taking office in 1986, revoked retail price increases which had prompted a country-wide strike and a third day of demonstrations on the streets of Khartoum.
Foreign news agencies
reported from the capital that

police had opened fire on demonstrators who refused to dis-perse. Later reports said that gunshot had been heard in the vicinity of the council of minis-ters and that Khartoum airport had been closed to all traffic. There was no word on possible casualties. Page 2

israel-Egypt talks Israell Prime Minister Yitzhak Shamir said he hoped to launch a Middle East peace initiative within two months, with Egypt as broker and superpower support. Foreign Minister Moshe Arens will meet his Egyptian counterpart, Esmat Abdel-Meguid, in Paris

French sisters free Two young French sisters, kidnapped with their mother by the Fatah Revolutionary Council Palestinian group over a year ago, were handed over to French officials in Libya.

United the National States of the National St

**Armenia toll lowered** Soviet officials said that only 100 or so bodies remained to be recovered from the ruins of the Armenian earthquake on December 7 and indicated that the final death toll would be about half the first estimate of 55,000 people. Page 2

iran cuts conscripts Iran announced a progressive cut in the period of military service for troops in war zones. from 28 months now to two

Angola's \$800m bill the estimated \$800m cost of withdrawing Cuban troops from its territory under recent agreements with South Africa. Economic difficulties meant the two countries could not bear the cost alone, President Jose Eduardo dos Santos said.

Violence in Lebanon One person was hurt when a car bomb exploded near a Syrian checkpoint in Moslem west Beirut, and eight others when Israeli helicopters attacked positions of the pro-Syrian Shia Amal militia in the village of Sultaniyeh, 80km south of the capital.

Lisbon metro strike Lisbon's metro underground railway was shut by a 24-hour strike, the first of a series threatened by Portuguese transport workers over pay and working conditions.

SA groups banned South Africa banned four more anti-spartheid groups under emergency regulations, bring-ing the total for 1988 to almost

Zambia talks to IMF IMF officials arrived in Lusaka for talks with the Zambian Government, which abandoned Fund policies 19 months ago but now seeks approval for its own economic strategy.

Hasegawa unmoved Japanese Prime Minister Noboru Takeshita said his new Justice Minister, Takashi Hasegawa, would stay in office even though he had "lacked pru-dence" in accepting donations from Recruit Cosmos, the company at the centre of a major political scandal. Page 3

India-Pakistan talks Indian Prime Minister Rajiv Gandhi arrived in Islamabad for talks with his Pakistani counterpart, Benazir Bhutto, amid hopes of ending decades of suspicion between the two countries. Page 12

Brezhnev effaced

The names of former Soviet leaders Leonid Brezhnev and Konstantin Chernenko are to be removed from all public buildings, including the houses in which they once lived, in response to what the Tass news agency described as popular request. Page 2

BRITISH mortgage rates started moving higher, signal-ling wave of rises made inevi-table by climb in base rates to 13 per cent during the

autumn. December banking returns meanwhile provided backing for speculation that

base rates may have to rise again in new year. Page 4; Lex, Page 12

FT-SE Index rose above the 1,800 mark last seen at end

FT Indices

1760

FT-A All-Share

FT~SE 100

of November, closing up 15.7 at 1,803.4, encouraged by firm-

# FINANCIALTIMES

Friday December 30 1988

### World News Business Summary French lack appetite for Revolutionary celebration

By George Graham in Paris

TWO DAYS from the start of the bicentennial, France is still far from ready to celebrate its Revolution 200 years ago. The deaths of two successive chairmen of the Bicentenary

Committee have cruelly exposed the lack of consensus over what exactly France is to celebrate. While causing a muted struggle among politi-cians and academics, however, preparations for the festivities have also run into a wall of indifference from much of the rest of the French population.

An opinion poll in the Figaro magazine showed that fewer than 40 per cent of French peo-ple were able to say in which year Louis XVI was beheaded,

while 79 per cent were unable to state the political group to which Robespierre belonged. And sales of revolutionary souvenirs are running three times as fast in Japan as in France

Only a tiny fringe of monar-Only a tiny fringe of monarchists and extreme right wingers plan to boycott the celebrations of the Revolution altogether, but a great many others, including Mr Jacques Chirac, mayor of Paris and Prime Minister between 1986 and 1988, have been accused of less than whole-hearted commitment.

Others have accused President François Mitterrand, then still undecided over whether to

stand for re-election, of freezing funds in the early stages of planning for the bicentenary for fear of seeing a successor reap the glory.

To cap it all, the Louvre Museum, France's number one tourist attraction, will be closed for over a month from February 22 to prepare for the public inauguration of its new entry hall under the glass pyr-amid designed by Mr Ieoh Ming Pei, the US architect.

The Louvre has already infuriated thousands of visitors this year by closing for days on end because of strikes by employees, but to shut down in the middle of the bicentennial

celebrations looks like peculiarly crass planning.
Also closed, this time through both January and February, will be the Picasso

Of course, no-one may notice, for the absence of detail on what exactly will be hap-pening in 1989 has left holiday tour operators wringing their they will have any clients at all. The one thing they thought they were sure of, a grand con-cert on July 14 by Jean-Michel Jarre has had to be cancelled. After all, London police had to have their arm twisted to allow a Jarre concert at all. The French authorities appear

to have realised rather belatedly that to stage the show at the same time as a meeting in Paris of the Group of Seven leading industrial nations was courting disaster.

D 8523 A

Historians appear to have been better prepared for the bicentenary. Massive histories of the Revolution – most of them written or prefaced by Mr François Furet, who is acknowledged as France's leading historian of the period – have been selling like Marie-Antoinette's cakes for

balloons launched in each of France's 98 departments, and the issue of a new bicentenary

● March 21. "Taking root" with the planting of the tree of liberty throughout the country, and a day of discussion in French schools;

• May 5. "Memory" as dele-

gates from all over France commemorate the march-pas of the States General at the palace of Versailles;

June 17-20. "Fraternity" – the commemoration of the Tennis Court Oath with

# Bush promises to find and punish bombers behind Pan Am crash

MR GEORGE BUSH, the US Oct 1988

ness on Wall Street. FT-A All Share Index gained 0.9 per cent to 930.43. Loudon Stock

FRANCE has proposed institu-tional changes to European Monetary System to help advance goal of economic and monetary union in European Community. Page 12

IBM, world's largest computer maker, will absorb hefty loss on sale of most of Rolm, US telecommunications subsidiary, to Siemens. IBM paid \$1.5bn for Rolm in 1984 but will receive between \$844m and \$1.15bn: Page 13

**DENMARK'S** minority Government is reportedly considering calling on trade unions and employers to agree to 10 per cent wage cut as part of shock cure for chronic balance of ents and unemployme problems, Page 2

**ALAN Bond's Hong Kong** listed Bond Corporation Inter-national (BCI) increased stake in Compania de Telefonos de Chile (CTC) from 32 per cent to 50.2 per cent after subscribing to additional US\$155.2m worth of shares in recent CTC rights issue. Page 15

BRITISH Government spending cuts affecting university science departments may be making UK less attractive for pharmaceutical industry investment, according to report commissioned by 17 US drugs companies with bases in UK. Page 12

SPAIN'S trade deficit was \$1.82bn in November, 52 per cent higher than year ago. Bank of Spain warned that \$3.2bn current account deficit expected this year is likely to more than double in 1989 to \$7bn, or 2 per cent of GDP.

WEST Germany is to toughen west terminal to train wake of series of widely publicised allegations of illegal transfer abroad of militarily useful technology. Page 2

PRUDENTIAL Corporation of UK agreed to pay A\$98.5m (US\$84.2m) to take over Australian life operations of Aetna Life & Casualty, US insurance group. Page 18

YUGOSLAVIA'S Prime Minister Branko Mikulic may be forced to introduce emergency economic measures if key reform legislation, designed to introduce a more market-oriented economic approach, is rejected by Federal Assembly today. Page 2

LONDON United Investments, specialist insurance group serving US corporations, is to buy insurance syndicate on Chicago-based Illinois Insur-ance Exchange from CalFed, US thrift institution, for \$12,69m. Page 15

WILLIAM Collins, British publisher fighting £294m (\$526m) hostile bid from Rupert Murdoch's News International, revealed terms of potential "white knight" bld. Page 13; Lex, Page 12

BANK of England is to launch revised version of sterling trade-weighted index today, rebased to 1980 trade patterns. Bank said effect of change in weights would be to reduce index by about 2 percentage points. Page 4; Lex, Page 12

co-operation from governments throughout the world, includ-

President-elect, vowed yester-day to track down and punish firmly those responsible for the "cowardly" bombing of the Pan American jumbo jet over Scoting the Middle East.
The important thing now is for all the agencies and countries concerned to co-operate as fully as possible in trying to Mr Bush, continuing his tify who was responsible

Christmas vacation in Ala-bama, said the US was doing everything possible to prevent terrorist attacks.
Mr William Sessions, director of the Federal Bureau of Investigation, stressed yester-

day that the investigation into the crash had to focus as much on the possibility that a criminal or individual may have planted the bomb as on a tertorist group being responsible.
The FBI is assisting British investigators who are leading the inquiry. If a terrorist motive is established, the FRI will pursue the matter under a 1966 law allowing the bureau to investigate and arrest terror-

ists.
While the FBI is stressing its subsidiary role to the British authorities, the wide-ranging 1986 law could ultimately prove a source of friction if the US wishes to press extradition. A second emerging issue is how the incoming Bush

Administration will respond, by military or diplomatic means, if a particular terrorist group is identified as responsi-ble for the bombing. Groups under suspicion include several with links to Libya, Syria and Iran. Mr Bush would come under

strong public pressure to retali-ate against any nation or group identified as responsible. Sir Geoffrey Howe, the Brit-ish Foreign Secretary, yester-day called on governments in the Middle East to co-operate in the international search for the colorits.

Sir Geoffrey, speaking in a BBC radio interview, said: "We clearly want to have maximum

LORD WEINSTOCK, managing

director of the UK's General

Electric Company, believes that growing integration of the

European market will force

more large companies to consider joint venture projects of

the type he has recently announced with Siemens of

West Germany and Alsthom of

Collaborative deals are nec-

essary, he says, because Europe's big industrial groups need broader markets and larger technological resources,

but are not willing to cade con-

trol over their operations. GEC and Siemens are now

entering a crucial phase in

their joint takeover hid for Plessey, the UK electronics and

defence group which success-fully scuppered a bid from GEC

A sorry tale of factory

closures and mass-layoffs

Shimon Peres has

of the few Israell

affairs. But his

politicians with any

decision to devalue

the shekel is judged

by many premature

and ill-thought out

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interest in economic

been described as one

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World Trade

By Terry Dodsworth, Industrial Editor

for this outrage so that they can be brought to justice.

ports said they were being sub-jected to tougher individual body and baggage searches. In addition to normal hand-"The machinery to a large extent exists because all the important countries have got their own investigative organisations, including the US and

ourselves."

At UK airports increased security measures for US airlines took effect early yesterday on Department of Transport instructions following the efficial confirmation that a official confirmation that a bomb was responsible for the normal manner. death of 270 people in Britain's

worst air disaster.
Airports overseas, especially on the Continent, also stepped up their security arrange in West Germany, where the ill-fated flight originated with

passengers then changing air-craft in London, the Federal consider increased security measures for the country's air-British police teams have

flown to West Germany and more will be going to other countries - possibly including the Middle East. Detective Chief Superinten-dent John Orr, the Scottish

officer leading the hunt in con-cert with Scotland Yard's Anti-Terrorist squad and the FBI, said: "We are going to try to find out quickly who did this. I have officers in West Germany at the moment and others will be going to other countries in the next few

days."
All the information collated by the various organisations will be collated on computers at Lockerbie, scene of the

EC market 'will force joint deals'

two years ago. Collaboration in this deal,

which broadly involves the two

companies working together in the three fields of telecommu-

nications, defence and semi-

conductors, has led to specula-

tion that Siemens, the larger of the two companies, might

eventually swallow the UK

firmly rejects suggestions that GEC will allow itself to be dis-

membered, or even push through radical de-merger plans of the type he has talked about in recent years.

"Everybody thought when the Pleasey deal was

announced that, in the end, we

would fall under Siemens'

domination. That was not at

all the intention. We shall go

Lord Weinstock, however,

crash, linked to the Home Office major inquiry computer. The Transport Department, the atrlines and the British Airports Authority (which runs Heathrow and Gatwick) declined to detail the new airport security rules. Passengers moving through London's Heathrow and Gatwick air-

baggage and body searches, Pan Am was asking passengers to put their stowed baggage through X-ray machines before checking in. A white plastic strip then sealed the luggage before it was processed in the

Some airlines, such as Trans World, were also asking pas-sengers detailed questions about whether they had packed their baggage them-selves, and whether it had been left unattended at any time subsequently.

No airline appeared to be going as far as Rl Al, the israeli airline, whose security opens all baggage at check-in and makes detailed searches of even sealed packages found in the luggage. Such procedures have made El Al the world's safest airline but have also resulted in check-in times of two hours or more.

Special arrangements are made at airports for El Al. Similar arrangements for every airline would slow the entire air transport system considera-bly, although many believe at would be preferable to the risk of terrorist attack.

Many civil aviation officials

believe the only way to achieve near-total security would be to ray stowed baggage once it has passed through the normal check-in procedures, though that would be almost prohibi-Continued on Page 12

with Siemens as far as we can because we think they are

going to be good partners," he

Alsthom, he adds, had proved to be the ideal partner

for GEC's power engineering division, which is now being merged with the French group.

On the issue of the proposed Plessey takeover, where GRC and Siemens run the risk of

regulatory opposition for monopoly reasons, Lord Wein-

stock says the company is will-

ing to run Plessey's defence business on an arms-length

"In the Plessey deal we shall reduce costs because we will

work together in technological

Weinstock builds a Euro-fu-

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# **Political** row brews over sale of thrifts

By Lionel Barber In Washington

THE US Government's \$7bn rescue this week of six insolvent savings and loans institutions is set to provoke a major political row in the new year. Leading Democrats expressed concern over the lucrative tax benefits made available to the buyers of the thrifts in Texas and California because they include two of the country's most celebrated corporate raiders, Mr Rouald Perelman and Mr Robert Bass.

Several Congressional committees are expected to use mittees are expected to use their powers to demand full details of the transactions to check on the possibility of "sweetheart deals", and the level of risk assumed by the The Federal Home Loan

Bank board on Wednesday announced the sale of a pack-age of five Texas thrifts with combined assets of \$12.2bn to Mr Perelman and other inves-It also sold the California-

It also sold the Camornia-based American Savings of Stockton, with \$30.15m in assets, to Mr Bass. Both deals involved a relatively small ini-tial cash injection by the investors, plus substantial tax breaks stemming from the net operating losses from the In a letter to the Federal

Home Loan Bank Board, the industry regulator responsible for the sales, Senator Tim Wirth of Colorado, an influential member of the Senate Banking committe, said: "I Continued on Page 12 Rditorial Comment, Page 12; Up against it on Capitol Hill, Page 13

#### several months now. The Bicentennial Committee festivals outside Paris and then has laid down seven "high on the esplanade of the Cha-Continued on Page 12 points" for the revolutionary US lists 86 bases

By Llonel Barber in Washington

A US government commission yesterday recommended the closure of 86 obsolete domestic military bases in a move which could save up to \$5.6bn over the next 20 years.

areas of the country.

The list of bases to be closed is far more extensive than expected and does not include and a golf course.

Congress set up the biparti-san commission this year in an effort to break a decade-long stalemate where lawmakers baulked at shutting down military bases on local economic grounds. The recommendations must first be approved by mid-January by Mr Frank Car-lucci, the US Defence Secretary, who must either accept or reject the entire list. He is expected to accept.

Congress then has 45 days, starting March 1, to consider

for closure to cut defence costs

· The commission's proposals amount to a call for dramatic changes in US force structure, and are certain to provoke an outcry in Congress because of the economic benefits which military bases offer to many

five partial closures and a fur-ther 54 to be "realigned." The total of 145 bases affected compares to a total of 5,000 military installations in the US, 300 of which are ranked as major. Among the operations which face cuts or closure are the Presidio in San Francisco, Galveston Naval Station in Texas, Norton air force base and George air force base in Southern California, the Brooklyn Naval Station in New York, and Fort Sheridan in Illinois which includes two beaches

killed only by a two-thirds majority of both houses voting against it. If Congress takes no action, the closings are set to begin automatically by Janu-

ary 1 1990.
Congress has to appropriate
\$300m, to carry out the recommendations because the estimated savings of \$693m per year in base operating costs will not take effect immedi-

The 12-strong bipartisan commission was headed by Mr Abraham Ribicoff, a former Democrat Senator from Connecticut, and Mr Jack Edwards, a former Republican Congressman from Oklha-homa. One dissenting voice came from former Senator Thomas Eagleton of Missouri a Democrat, who accused the US Navy of stonewalling and getting away with it.

The significance of the panel's recommendations goes beyond the economic impact on communities, though these are expected to be substantial If Congress goes along with the closures, lawmakers will send a powerful signal to the incoming Bush Administration that is willing to consider changes in US force structure,

personnel and weaponry. Many defence experts believe these changes are necessary because of the mismatch between planned spending and Congressional approved funds in the Pentagon budget. Over the next five years, between \$150bn and \$200bn may have to be cut out of ambitious spending plans drawn up by Mr Cas-par Weinberger, the former US Defence Secretary.

# DSL Bank

the measure, which can be

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The assumption of obligations as aforesaid constitutes a contract for the benefit of the bondholders and couponholders from time to time pursuant to § 328 (1) of the German Civil Code giving rise to the right of each bondholder and couponholder to require performance of the obligations assumed directly from DSL Bank Luxembourg and to enforce such obligations directly against DSL Bank Luxembourg.

The assumption of obligations as aforesaid is valid without the approval of the bondholders and couponholders and does not in any way prejudice the rights of the bondholders and couponholders as against DSL Bank arising under the Bonds and Coupons, and the obligations assumed by DSL Bank Luxembourg constitute obligations additional to and independent from the obligations arising under the Bonds and Coupons.

Copies of the Agreement will be available for inspection by the bondholders at The Chase Manhattan Bank S.A., Woolgate House, Coleman Street, London EC2P 2HD, England, in its capacity as Principal Paying Agent in respect of the Bonds and Coupons.

DSL Bank Luxembourg was founded on November 4, 1988 under Luxembourg law for an unlimited duration. It is registered with the Trade Register in Luxembourg under No. B 29076. The subscribed capital is presently DM 50,000,000.

Bonn, December 30, 1988

DSL Bank Deutsche Siedlungsund Landesrentenbank

# Armenians cut earthquake toll estimate by half

ARMENIAN officials suggested yesterday that the total number of casualties from the December 7 earthquake was closer to 25,000 than the 55,000 figure which Soviet Foreign Ministry officials have given at a series of press briefings.

Speaking with Moscow journalists through a satellite hook up with Yerevan, the Armenian officials said they had dug 39,700 people out of the rubble as of December 28, and expec-ted to find only "some one hundred" more bodies. Out of those 39,700. 15,000 had been dug out alive, leaving the total number of dead at nearly

Mindful that Mr Gennadi Gerasimov, the Soviet Foreign Ministry Spokesman, was seated at a podium on the Moscow end of the hookup, Armenian officials refused to say that the Foreign Ministry had been giving out inaccurate figures, but under persistent questioning, they held to their 25,000 estimate.

"At first, it seemed there would be more," according to Mr Mr Vargdes Artrunin. Armenian Deputy Prime-Minister. "That's why we were saying it looked like 40,000." Two weeks ago, Prime Minis-ter Nikolai Ryzhkov lashed out at the Foreign Ministry for doing little to help the rescue efforts. In remarks carried on

national television, he said



Shevardnadze: testy response

Foreign Ministry officials had only sat in Moscow giving briefings in which officials cited "mythical" casualty figures, while other ministries helped rescue the dead. In an interview in the weekly Moscow News, Mr Eduard Shevardnadze, the For-eign Minister testily responded to the criticism, noting that "the conscience of our diplo-mats is clean" and adding "per-sonally, I consider it below my dignity to publicly reprimand

Thursday's satellite hook up, which was sponsored by the Foreign Ministry, appeared to have been aimed at quelling the criticism.

# Moscow tries to allay growing fears on prices

By Our Moscow Correspondent

IN AN effort to quell public shelves and deteriorating food concern over forthcoming price reform, a Soviet official announced yesterday that in 1989 retail prices on some con-

sumer goods will fall.

In an interview with the newspaper "Argumenti I Fakti," Mr Ivan Gorbachev, deputy chairman of the State Committee On Prices criticised what he described as "rumours" that pricing reform planned in coming years would raise the cost of most retail goods. Instead, he announced an additional state subsidy to keep down the price of clothing and other consumer goods.

Many Western economists believe Mr Mikhail Gorbachev, the Soviet leader, will have to end the massive state subsidies to consumer industries, espe-cially agriculture, if he genuinely intends to make economic reform succeed. The new price announcement will another Roubles 100m (£90m) to state subsidies for fabric and household goods, according to Mr Ivan Gorba-

supplies has reached fever pitch. As shoppers crowd Moscow stores in an often vain search for meat, vodka and fresh vegetables to serve over the holidays, they are com-plaining the situation has dete-riorated to its worst level in Opinion about how to end

the shortages is far from unan-imous. As the latest announce-ment on falling prices was made the Government newspa-per Izvestiya was calling for a more reform-minded solution. A frontpage article called "This time, there's no scap" in its Wednesday edition attacked bureaucrats who the paper said had been unable to supply the capital with soap, toothpaste, toilet paper or cleaning detergents.

Instead, Izvestiya proposed that price restrictions on con-sumer goods be lifted so smallscale capitalists could supply consumers with the goods they need. "Soap makers should be able to seize the opportunity hev. and provide as much soap as is Concern over the empty required," the paper argued.

# **Brezhnev name erased**

THE NAME of former Soviet leader Leonid Brezhnev is to be removed from all public buildings, including the houses in which he once lived, Reuter

reports from Moscow.
Tass, the Soviet news agency, said the high-level decision, which also applies to one of his successors, Konstantin Chernenko, was published yesterday. It came in response to letters and public appeals to authorities and the It was decided "to drop the Soviet leader in 1985.

the names of factories, administrative regions, institutions of learning and organisations," Tass said.

Memorial plaques were also to be removed from the two manys former bornes.

names of Leonid Brezhnev and Konstantin Chernenko from all

trade deficit grows 52% By Peter Bruce in Madrid

Spanish.

SPAIN'S November trade

deficit was \$1.82bn, 52 per cent higher than November last year, the Government said yea-terday, confirming predictions that the current account of the balance of payments will move back into deficit this year. The November figures indi-cate a late quickening of the growth of the trade deficit, which had been held to an accumulated increase of 40.7 per cent by the end of Septem-ber because of strong exports

earlier in the year.

The Bank of Spain, meanwhile, has warned that the \$3.2bn current account deficit expected this year is likely to more than double next year to 57th. \$7bu, or 2 per cent of gross domestic product.

domestic product.

The central bank also forecast an increase in its broad money supply measure of 8 per cent next year, well down on the 11 per cent limit it has tried to impose this year and a suggestion that it may try to impose even more rigorous impose even more rigorous measures to control credit to prevent the economy from

overheating.
Spain has not had a current account deficit since 1983 but the rate of growth of the economy, particularly a high rate of investment, has sharply increased by the rate of the sharply increased by the statement and when increased imports and prices.

The bank said provisional figures suggested GDP had risen 5 per cent this year, though the final increase may be even greater. The Government had projected GDP growth of 4.5 per cent for 1982.

Askarp increase in the price of unprocessed foods had knocked a 3 per cent inflation forecast for 1988 off target and forecast for 1988 off target and the bank said the underlying rate of inflation had not fallen below 5 per cent. Mr Mariano Rubio, the bank's governor, said price rises would be much more worrying if it could be shown that commercial profit margins were being deliber-ately widened to compensate for the effects a strong peseta was having on export markets.

was having on export markets. The rate of growth of the current account deficit was worrying, he said, and it was important for the country to keep inflation slowing. "The longer it takes to act, the greater the price that will have to be paid in the end."

Mr Rubio seemed to be warning the Government to hold firm in the face of union demands for high wage increases next year following this month's successful gen-eral strike in protest at State

Earlier this week the unions demanded an increase in mini-mum wages of some 11 per cent. The Government is opti-mistically forecasting inflation of 3 per cent again for 1989 even though a recent OECD report projects at least 4.5 per

• Portugal's centre-right Social Democrat government announced yesterday it would raise the country's official minimum monthly wage in trade, industry and service sectors to Esc 30,000 from Esc

27,200.
The increase is equivalent to a 10.3 per cent increase, but Tass said both men were linked with the "period of stagnation" preceding Mr Mikhail Gorbachev's programme of reforms, launched after he took office as Soviet leader in 1985.

# W Germany to tighten export control laws

By David Marsh in Bonn

THE WEST German government, under pressure from the US administration and domestic opinion, is planning to toughen export control laws in the wake of a number of widely publicised allegations of illegal transfer abroad of militarily useful technology.

Mr Helmut Haussmann, the Economics Minister, will present to the cabinet on January 10 a series of proposals on increasing penalties for infringements of export control legislation and on tightening enforcement. The changes, which have been urged in discreet talks

over the past year by the US government, will also take into account the need to plug loop-holes exposed by a pre-Christ-mas controversy over sus-pected sales abroad of sensitive nuclear technology. Economics Ministry officials

said another reason for the proposals was to try to guard against the spread of chemical weapons. West German involvement has recently been suspected in Libyan efforts to build chemical weapons. The officials said cabinet was keen to bring in legal changes which would be effective rather than simply "for show," so it was impossible to confirm for the moment details

of any new measures.

The Bonn government is also investigating the affair to dis-

Proposals under consideration involve an increase in maximum jail sentences for contraventions to five years from three years, as well as wider definitions of an offence

to make conviction easier.
The suggestions partly reflect Washington's long-standing worries about flows of sensitive know-how to the East bloc. Additionally, the government is under pressure from opposition parties and public opinion to bring fresh curbs on the nuclear sector to guard against proliferation of atomic weapons.

In the latest in a series of nuclear controversies, two companies in Hesse, Neue Technologien GmbH (NTG) and Physikalisch-Technische Beratung (PTB), together with a concern in Baden-Wirtten-berg called Gutekunst, are being investigated by public

They allege that potential bomb-making material has been sold to Pakistan, India and South Africa, three countries which have not signed the non-proliferation treaty and which are suspected of follow-ing illicit nuclear weapons pro-

cover whether and how export controls have been contra-



Haussmann: bigger penalties

vened, NTG, which manufactures a range of precision machinery and instruments, has had its licence suspended for handling radioactive mate-

Four parliamentary committees met in Bonn on December 23 to look into the allegations, and the Pakistani ambassador to West Germany, Mr Mahdi Masud, was summoned to the Foreign Ministry on Tuesday to give an account of the affair. According to a Foreign Minis-According to a roreign minis-try spokesman, Mr Masud promised to co-operate with the inquiry, looking into exports to Pakistan going back to 1984 of tritium gas — of potential use in a thermonu-clear bomb — and of equipment to separate either tritium The Economics Ministry is trying to establish exactly what type of equipment was

delivered to Pakistan, which has long been suspected by the West of working on a clandes-tine nuclear bomb to match India's bomb-making capacity. Nuclear materials along with other technology capable of

use for either military or civilian purposes are covered by international lists of proscribed goods drawn up by the 16-na-tion Paris-based Committee for Co-ordinating Multilateral Export Controls (CoCom).

The Bonn government agrees with the US in theory over the dual need to tighten

controls over exports of the most sensitive technologies, while liberalising regulations on remaining transfers.

Mr Allan Wendt, the senior US state department official in charge of technology transfer rules, voiced unusual public concern in October over Bonn's efforts to tone down CoCom regulations.
The US believes Bonn should

take steps to strengthen the Federal Economics Office at Eschborn near Frankfurt in charge of processing export control inquiries, which has to cope with 70,000 to 80,000 cases a year. The government has

found it cannot offer high enough salaries to attract technically qualified personnel there, and is still looking for about 10 experts

Controversy between the US and Bonn over technology transfer flared in autumn 1987 when Washington intervened to stop at the last moment West German export of a sophisticated miniature subma-

rine to North Korea. The boat, which the US claimed could be used to smuggle spies into South Korea, has been in the meantime bought from the exporting company by the West German govern-ment. It is currently berthed in the harbour at Mannheim on the Rhine waiting for another

buyer. The latest nuclear affair has raised the interest of the US government in view of West Germany's long history of involvement in alleged cases of

involvement in alleged cases of weapons proliferation.

A number of companies have been investigated by the Bonn government and public prosecutors for possible illicit nuclear deals with Pakistan earlier to the topole

earlier in the 1980s.

The Federal Republic was also accused in the US of helping clandestine nuclear weapons projects in Argentina, Brazil and South Africa during the

# East and West German nuclear deal attacked

By Lesile Colitt in Berlin

research agreement between East and West Germany has been sharply criticised by an opposition party in West Berlin for having possible military

Public sensitivity in West Germany to nuclear energy has been heightened by recent disclosures of serious malfunctions in German nuclear power stations which were kept quiet. The agreement involves West Berlin's Hahn-Meitner Institute and East Germany's main nuclear research facility at Rossendorf near Dresden.
The West Berlin institute was named after Otto Hahn,

who discovered nuclear fission in Berlin in December 1938, and his assistant, Lise Meltner. The nuclear research agreement between the institutes is one of the first to be signed under a recent clentific co-operation accord

AN UNUSUAL nuclear Berlin and Rossendorf will begin co-operating next February in the field of heavy

ion accelerators.
The West Berlin institute has the second largest accelerator in West Germany, while the Rossendorf installation is Soviet-built. Both include American components. The Alternative components. The Alternative List (Green party) in West Berlin claimed that only a "small step" separated the planned research project from military research.

This was "absolute nonsense," according to Mr Thomas Robertson, for the West Berlin institute.

He claimed that the research project involved basic research
military as "boot making." Mr
Robertson said that while the
project involved basic research there were applications in biology and microelectronics.

The Hahn-Meitner Institute

has had close contacts with between East and West counterparts in the US, Britain Germany. Scientists from West and France.

# Denmark considers plan to reduce wages by 10%

By Hilary Barnes in Copenhagen

DENMARK'S minority non-Socialist government may call on the trade unions and the employers to agree to a 10 per cent wage cut as part of a shock cure for the country's chronic balance of payments and unemployment problems, the Copenhagen business daily,

Boersen, reported yesterday.

The newspaper said the plan to cut wages is one of the ideas the government is considering for presentation to the labour market partners at a tripartite

meeting on January 6.

To soften the effect of the reduction in wages, the government will also propose a 2 per cent reduction in the progressive income tax scales. Mr Poul Schlueter, the Prime Minister, declined either to confirm or

deny the report.

The report caused bond and share prices to move up sharply yesterday, while the director of the Employers' Association said he was sceptical of such a radical solution. Denmark's current balance

of payments account has been in deficit for 25 consecutive years, leading to a net foreign debt of about Dkr270im some 40 per cent of Gross Domestic Product. Interest on the debt is costing about Dkr30bn a year, or about 4 per cent of GDP and over 13 per cent of export income.
Tough fiscal measures in

1986 have reduced the deficit this year but at the cost of two years with no increase in pro-duction and the prospect of a third year with little growth in

Unemployment has risen from just under 8 per cent in 1987 to about 8.5 per cent this year and is expected to increase to betwen 9 and 10 per cent in 1989. Wages this year have risen by about 6.5 per cent and consumer prices by about 45 per cent.
Mr. Schineter, who has been
Prime Minister since 1982, has

repeatedly renounced devaluation as a means to improve

#### Genscher move on US claim over Libyans MR Hans-Dietrich Genscher,

the West German Foreign Minister, called his Italian counter-part, Mr Giulio Andreotti, this week to discuss US claims that Libya has built a chemical weapons plant, AP reports from Bonn.

"Both ministers expressed great concern over reports that Libya has a chemical weapons plant," Mr Hanns Schumacher, a West German foreign minis-try spokesman, said yesterday. He said that Mr Genscher telephoned Mr Andreotti on Wednesday in Algeria, where the Italian minister was on an

Italian newspapers said that Mr Genscher was apparently trying to build up European solidarity against a possible US military attack on Libya's plant. But Mr Schumacher said that this did not come up in the conversation.

There is no common initia-tive against a US military attack and we have no reports about plans for any such attack," he said.

President Ronald Reagan said last week that Washington was consulting its allies about a possible military strike against the plant

Libya has repeatedly denied that the plant produces chemi-cal weapons and says it is a factory for making pharmaceu-

#### Canada tightens immigration rules

THE Federal government will speed up its immigration screening process but will not grant an amnesty or relax the rules to clear a backlog of 85,000 people claiming to be refugees, reports Robert Gibbens from Montreal.

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It will mean that many thou-sands of the refugee claimants will be expelled from Canada over the next few years. Unoffi-cial government documents

cial government documents have estimated as many as 28,000 could be expelled.

Ms Barbara McDougall, Minister for Immigration said in Ottawa yesterday that her department will increase staff by 100 and every refugee case will be reviewed individually by an adjudicator and a member of a new Immigration and Refugee Board to determine whether claims are legitimate. Exceptions will be made on humanitarian grounds. humanitarian grounds.

# Argentina's power

tricity company, SEGBA, has warned that the country is on the brink of a total black-out, reports Janette Staubus in Buenos Aires. His statement follows the shut-down of the Embaise nuclear power sta-tion. According to official statistics, the power supply is now operating at 80 per cent below normal capacity.

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#### peppered with criticism of Mr Mikulic's apparent inability to stem inflation and halt the YUGOSLAVIA'S Prime overhaul of an economy in which inflation is running at "Everybody wants economic reforms, but they don't want to

Mikulic may turn to emergency measures By Judy Dempsey in Vienna.

Minister, Mr Branko Mikulic, already facing pressure to resign, may be forced to introduce emergency economic measures if he fails to push through two radical reform

laws today.

A package of economic reforms, including important enterprise legislation and a for-eign investment law both designed to introduce a more market-oriented approach to the economy, were supposed to have been passed by the Fed-eral Assembly this week. But opposition from several of the republics both to the reforms and to Mr Mikulic's

minimum wages in agriculture and domestic services will rise by 16.1 per cent to Esc 28,800

230 per cent a year and whose external debt already exceeds

> At the root of the problem is what role the federal govern-ment should play.
>
> At a central committee ple-

num last October, it was decided to separate party and state functions with the aim of giving the federal government greater powers and freedom to run the economy.

But observers in Belgrade now suggest that the republics, which in the past retained a wide measure of autonomy on

economic matters, will oppose the new reform measures pre-cisely because they will strengthen the hand of the fedtary 1 may be postponed.

In effect, this will delay the of interests on the local level.

lose their own powers nor do they want to give Mikulic and the federal government greater authority," a Yngoslav econo-

mist commented.

The acrimonious debates in the Federal Assembly, which ends today, will almost cer-tainly leave Mr Mikulic with-out a budget for 1989 and with-out pushing through the

The federal budget for next year is three times larger than this year's budget, mainly

because of inflation. The republics, in particular Slovenia and Croatia, strongly object to the larger budget on the grounds that the individual republics will have to contribute more to it. Other republics have voiced similar objections,

decline in living standards. Observers say this leaves the Prime Minister with two He can introduce a tempo-

rary budget, financed through sales taxes. In addition, Mr Mikulic can introduce "intervention" economic measures in order to get the reforms off the If he can succeed in these

If he can succeed in these measures, Mr Mikulic could resist calls for his resignation, aware that even if he were to resign, few officials would be prepared to take on the task not only of pushing through unpopular measures, but also of resisting the power of the republics.

# Holland's telecoms agency rings in the New Year changes

government suggests that a whole package of legislation due to come into effect on Jan-

Laura Raun explains why European eyes are on the Dutch programme to liberalise its telecommunications market

Telegraph-Telephone Agency will ring in the New Year with a bang. On Jan-

New Year with a bang. On January 1 PTT will become a private company whose shares are held by the state but will probably be floated.

Many eyes are on the Dutch to see how quickly they can transform a government agency with a civil servant mentality into a private enterprise with a keenly competitive attitude Other European Comattitude. Other European Community members must liberalise their telecommunications markets by 1992 in line with the Single European Act which only Britain has done so

NV PTT, as it will be known, will lose its monopoly over telecommunications equipment and services. It must then compete with private enterprise in Europe's fourth largest telecommunications market - F1 400-500m (£110-137m) a year and in an industry that requires huge sums of money for rapid technological develop-

Already lined up by NV PTT are GPT, the British joint ven-ture between General Electric. Plessey and Northern Telecom of Canada. They see the Netherlands as a promising market and a convenient launch pad for penetration of the rest of Europe, Philips, the Dutch electronics giant,

HE Netherlands' Post- is less clear about its

"We have a new situation where customers by their own free will have to want us," explains Mr Wim Dik, who will become chairman of NV PTT on January 1. "If the customer is not pleased then we have to

If anyone can transform PTT into a profitable commercial concern it is Mr Dik, a dynamic personality who was headhunted from Unilever. where he ran a Dutch subsidiary of the Anglo-Dutch group. He believes firmly in decentralised power and individual responsibility in sharp contrast to general Dutch-management style, which stresses consensus decision-making and common

accountability. PTT management, aided by legions of consultants, has developed a strategy for converting the state agency into the country's biggest private-sector employer, with a payroll of 95,000: in-house training will amphasise that the "customer emphasise that the "customer is king" and employees will be reminded that it is the customer who pays the bills. Mr Dik warns staff that "if service is below standard they stop paying your salary and I can't pay you any longer."

Profits versus quality poses a fundamental dilemma in any

privatisation. Mr Dik says be learned a lesson from the Brit-



The Euromast telecommunications tower in Rotterdam

Telecommunications man-agement will be organised in a matrix of business areas and telephone districts, introducing the concept of dual responsibil-ity to managers accustomed to the pyramidical power structure of a government agency.

Several herculean tasks face Mr Dik. One is to maintain quality so the Netherlands remains competitive in the genuine common market while at the same time lifting profits. He admits the Netherlands is not Europe's leader in telecommunications, though he insists it is among the leaders.

But digitalisation of the telecommunications network is lagging – even telephone calls to PTT headquarters go dead in mid conversation. Introduction of Integrated Services Digital Network, the next generation of infrastructure, has been tion of infrastructure, has been delayed while France and West Germany forge ahead. But the Netherlands will pro-

vide a home for an ambitious new project that some say could serve as a forerunner of a European post, telegraph and telephone agency. Managed Data Network Services is a joint venture of 22 agencies which will provide one-stop shopping for setting up inter-national communications net-

works. Compared with many agen-cies the Dutch PTT is enviably efficient. It already is in the black with net income of Fl 2.15bn on total revenues of F1 10.27on in 1987. Telecommunications posted

operating profits of F1 124bn on turnover of F1 6.56bn but the flabbier post reported prof-its of F1 130m on revenue of F1 Mr Dik expects net income and turnover to rise gradually this year and next and eventu-ally hopes for a net margin of 8-10 per cent, out of which he must cover soaring investment

expenditures and pay the Gov-

ish Telecom privatisation: "I hesitate to say that profits come second but quality is number one, certainly in the initial period," he acknowledge. edges.
Under the new structure, operations will be divided into post and telecommunications. Post will keep its monopoly on delivery of letters smaller than 500 grammes.

Telecommunications will keep its monopoly on the network infrastructure, laying and maintaining lines. Only if PTT is unwilling or unable to provide lines can the private sector step in — a hazy area that could lead to conflict.

NV PTT will lose PTT's monopoly on equipment and services such as telephones, telefax and PABXs. No cross-subsidisation will be allowed between the monopoly and non-monopoly functions.

Mr Dik is playing hardball with PTT's equipment suppli-ers, who are planning to start selling on their own account next year. He has told Ericsson of Sweden and Geveke Electronics of the Netherlands that they may be struck from the supply list if they sell the same products to customers them-

"It is a question of what's more profitable - supplying or competing, he explains

Capital investments will jump around 25 per cent to Fl 3.25bn in 1989, forcing PTT to tap the capital markets as early as January. The balance sheet sports a healthy debt-to-

equity ratio of 60:40 and Amsterdam bankers say such paper would be attractive at home and abroad. Two other crucial tasks are cutting costs and cultivating marketing know-how. Raising revenue will be hindered by the state's sharp eyes on tele-communications tariffs. So Mr Dik intends to pare expenses by shrinking central staff, further automating central staff, further automating central staff.

ther automating post services and saving on maintenance costs when digitalisation of the network is completed. Marketing was never a worry when PTT had a captive audience. In the past it spent most of its resources on developing technologically sound

products but now it must sell them as well Mr Dik is keen to take NV PTT public but needs at least three years to prepare the con-cern for bourse flotation. It will take even longer than that to truly change the culture, he

That will take at least seven years and hopefully before I retire," reckons the 49year-old Mr Dik. That will be in 1999. supply worsens MR Pablo Carvelli, president of Argentina's state-owned elec-

FINANCIAL TIMES

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Genscher more

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# backs down over price increases

By Michael Holman

THE Sudanese government, facing its most serious chal-lenge since taking office in lenge since taking office in 1986, yesterday revoked price increases of basic commodities which had prompted a country-wide strike and a third day of demonstrations on the streets of Khartoum.

In a despatch from the Sudanese cantial Egypt's state.

nese capital, Egypt's state-owned Middle East News Agency reported that police had opened fire on demonstra-tors who refused to disperse, but there was no word on pos-

sible casualties.

The government decision to back down was taken at an emergency cabinet session called as the strike paralysed the country's main cities, cut most lines of communications and forced Khartoum international airport to close.

The unrest, triggered by the decision on Monday to raise the price of basic commodities including a 500 per cent increase in the cost of sugar, led to the resignation on Wednesday of members of the Democratic Unionist Party from the coalition government of Prime Minister Sadeq al-

The DUP has been the prime mover in efforts to initiate peace talks with the Sudan People's Liberation Army, which has been fighting for the autonomy of southern Sudan for the past five years.

Demonstrators yesterday were reported to be calling on Mr al-Mahdi to press ahead with a tentative peace plan negotiated by the DUP with the rebels, and which was due to have been followed up by an all-party conference in Addis Ababa.

The Sudanese parliament stopped short of a full endorsement of the plan, with a third member of the coalition, the National Islamic Front, resisting rebel demands that the government postpone moves to reintroduce a fundamentalist version of Islamic sharia law. This is opposed by the largely Christian and animist south. Mr al-Mahdi, leader of the

Umma Party, now faces what appears to be an intractable combination of political and economic problems. Attempts to resolve the

country's economic crisis depend on an end to the war, for much of Sudan's considerable agricultural potential, as well as substantial oil reserves, lie in the south.

### Pretoria widens ban on groups

THE South African government yesterday banned four anti-apartheid organisations, bringing to almost 30 the number proscribed since February, writes Jim Jones in

Johannesburg. In February 17 opposition groups were banned, leading to a local and foreign outcry. Since then criticism has been muted as the Government has gradually picked off opposition groups. in Pretoria the Minis-try of Law and Order said one group banned yesterday, the National Detainees' Forum, had been founded to perpetuate the Detainees' Parents' Support Committee which was banned in February.

# Israeli economy tells a sorry tale of mass lay-offs Andrew Whitley reports on the challenges facing Shimon Peres, the new Finance Minister

ON Tuesday, just a few days after taking office, Mr Shimon Peres, Israel's new Pinance Minister, rushed into a devaluation of the shekel which many judge to be premature and ill thought-out.

The new government of national unity, led by Mr Yitzhak Shamir, was forced into the move by a recent run on Israel's foreign exchange reserves, which may now be below their level in the crisis year of 1985. At 5 per cent, the devaluation was too small to be of significant help to indus-try, merely fuelling the appetite for more to come in the New Year. It is also likely to add another notch or two to inflation, now rising again at monthly rates averaging 1.5 to 2 per cent. But the devaluation, and reactions to it, did give Israelis the clearest possible reminder of the serious economic challenges facing the

Throughout the economy. the story is the same: industry and agriculture are in deep trouble, and their problems are casting a cloud over the banking sector. According to newspaper surveys, well over 3,000 Israeli companies have been in liquidity difficulties this month—10 times greater than the number recorded four years ago, before the launch of the last Government's much-applauded economic stabilisation

From the well publicised woes of the largest company, Koor industries, to the travails of small enterprises in neglected development towns, the unending tale is one of factory closures and mass lay-offs. The small Tel Aviv Stock Exchange, not surprisingly, is

In agriculture, the \$4bn (£2.2bn) of debt to local banks accumulated by the kibbutzim and moshavim, the rural col-lectives and co-operatives responsible for 90 per cent of the Jewish state's farm output, threatens to precipitate a crisis if the Government fails to find adequate measures to tackle the problem. For Mr Peres, the Labour leader often described as one of

the few Israeli politicians to show a genuine interest in eco-nomic affairs, being Finance Minister will be his second encounter with the country's economic problems. As Prime Minister, it was he — together with Mr Yitzhak Moda'i, then Finance Minister, and Prof Michael Bruno, now governor of the Bank of Israel — who was primarily responsible for the dramatic turnaround of 1985. The first stage of the July 1985 plan – widely admired in Latin America – tamed hyperinflation, previously running at annual levels of more than 400 per cent, and brought wel-



come stability to the shekel What was never tackled with any resolution was the much tougher second stage, intended to overhaul the entire struc-ture of the state-dominated economy and bring Israel into line with changes under way elsewhere in the Western world. When Mr Shamir replaced Mr Peres at the head of the government in November 1986, his aim and that of Mr Moshe Nissim, his Finance Minister, was to do as little as possible to disturb the economic recovery which, in 1987, produced one of the best years for the Israeli economy since

If that recovery has now

been stopped in its tracks, it is in large part as a result of the year-old Palestinian uprising in the occupied territories. The consumer spending-led boom of the previous year was already beginning to fade when the *intifada* erupted, but West-ern diplomats estimate that the uprising knocked one to 1.5 per cent off the gross national product during 1988. Very high interest rates and a profits squeeze brought about by a combination of the frozen exchange rate and resurgent inflation did the rest of the damage. The Central Bureau of Statistics reported yesterday that gross domestic product increased by only 1 per cent this year, compared with 5 per cent in 1987. Industry, con-struction and agriculture were the main casualties, Just as worrying, industrial

investment registered a 20 per cent decline in 1988, while private savings remain low for an economy still in the throes of

Mr Peres's main priority is to boost growth, which will not be at all easy. But he recog-nises that Israel is also hadly in need of far-reaching struc-tural reforms. In making his unexpected devaluation at this time, Mr Peres was trying to buy time to prepare such mea-

been accumulating in the Finance Ministry, covering top-ics ranging from the tax sys-tem, the public sector wage structure, the domestic capital

In view of the present troubles of the corporate sector, one thing seems inevitable: a further surge in unemploy-ment. At just over 7 per cent, the jobless rate is still low by West European standards, but it is nevertheless keenly felt by Israelis, who view them as a disincentive to attracting

A decisive argument which persuaded Mr Peres to abandon the Foreign Ministry in favour of the Treasury was the neces-sity of having a Labour politi-cian in charge of overseeing the rescue efforts which both the kibbutzim and Hevrat Ha'Ovdim – the trade unions holding company which owns Koor Industries - will require over the next year. Together, these organisations form the pillars of the Labour party, in terms of membership and

In theory committed, like the Likud, to reducing the Government's role in the economy, in practice Mr Peres is likely to find that the corporate ball-outs in prospect will give him little room for manoeuvre. A write-off of kibbutz debt, for instance, will have to be under-

written by the Treasury.
The new Finance Minister has already warned that he intends to reduce public spendmarket and Israel's ailing ing next year by at least shekels 1bn (£345m), trimming remaining subsidies and making other unspecified cuts. But, as Mr Amos Rubin, the Prime Minister's economic adviser, points out, it is hard to see where significant savings can be made without dealing with the defence burden or attacking health and education services, all sacred cows. What may well accelerate

the process of change already under way within parts of Israeli industry is the liberalis-ation of trade barriers at the behest of Israel's most impor-tant trading partners, the European Community and the US. On January 1, all import duties on industrial goods from the EC will be abolished, in theory laying Israel open to full competition from much more powerful West European

To what extent European industry may itself wish to take advantage of the new opportunities is a moot point. The Israeli market is a small, problematic one, riddled with bureaucracy. But even a modest breath of wind blowing through Israel from Europe could do a power of good.

# finance. This is only an attempt by my political enemies to sling mud at me and silence me in the campaign against the mas-sive corruption of certain lead-

ister for 10 years before quitting the ruling United National party in January. He later joined Mrs Sirimavo Bandaranaike's Sri Lanka Free-dom Party which narrowly lost this month's presidential election and which is contest-

the National Security Minister. on a diplomatic passport hours after Mrs Bandaranaike lost

Mr de Mel said last night that he had left quite normally for a holiday and intended to return to Sri Lanka in the new year. He would be home well before the start of the parlia-mentary election campaign

The allegations involve a British company involved in building a dam in Sri Lanka

consider allegations that Mr de Mel received payments from foreign banks wishing to open offices or continue doing business in Sri Lanka and that Mr de Mel had tried to influence the award of government contracts. It is not clear originated from inside or outside the Government.

#### Palestinian activist backs elections in occupied territories Mr Husseini accused the FAISAL HUSSEINI, a leading West Bank Palestinian activist not go so far, but he agreed that any scaling down of the confrontation would have to be participate and elect their representatives for a political diato himself and is free to read Shamir, the right-wing Likud army of frequently initiating violence in raids on Arab vilnewspapers and make tele-Prime Minister.

serving a third term of administrative detention, has come out in support of elections in the occupied territories as a way of easing Israel into nego-tiations with the Palestine Lib-eration Organisation, writes Eric Silver in Jerusalem.

He was talking to Yair Tsa-ban, left-wing Mapam MP, who visited him on Wednesday in Kfar Yona prison. Mr Tsaban spent more than an hour with

Mr Husseini, who has a room

The idea of elections to

choose a credible Palestinian delegation to negotiate an interim peace agreement was first floated by Mr Shimon Peres, the Israeli Labour leader. Mr Husseini welcomed it as a promising approach, so long as it was not a device for sidestepping the PLO and so long as it was not tied to Palestinian autonomy of the kind assumed that most residents of advocated by Mr Yitzhak assumed that most residents of the occupied territories will

Mr Tsaban found Mr Husseini, whom the Israelis accuse of orchestrating the 12-monthold Palestinian intifada, or out of the cycle of violence and counter-violence. "If Israel per-mits democratic and free elections," Mr Husseini was quoted

as saying, "without conditions and without linkage to the autonomy scheme, it can be

logue with Israel".

Mr Husseini assumed that

these representatives would be PLO supporters, since the organisation commands the overwhelming allegiance of the 1.5m occupied Palestinians. They would insist that the PLO be brought into the talks.
Some, less radical, Palestinian
figures have recently
suggested that Israel and the
intifada leaders should declare
a ceasefire. Mr Husseini did evenly balanced.

"The question cannot be posed to one side only," he told Mr Tsaban. "If the Israeli authori-ties will enable the Palestinians to express their national aspirations through non-violent channels, I am sure that the intifada activists will be pushed less and less to use vioence. But if the Israelis do not allow that, nobody can control what is going on."

lages, and argued that such Israeli behaviour would have to cease. A 12-month truce was proposed before Christmas by Mr

Elias Freij, the mayor of Beth-

• Israeli troops have shot dead three infiltrators from Egypt and are searching for a fourth man who escaped, the army said yesterday, Reuter

# Garcia's isolation grows ahead of meeting | Moscow clamps down on

By Veronica Baruffati in Lima

THE ISOLATION of President Alan Garcia of Peru was highlighted yesterday as his politi-cal rivals met for nine hours before a key council of minis-

ters' meeting last night. Mr Carlos Rivas Davila, the minister of economy, was said to have unveiled his economic programme to the meeting of MPs belonging to the ruling American Popular Revolutionary Alliance (APRA). The plan will be broadcast to the nation before the weekend. In the past, President Garcia has always had the last word in economic matters.

Mr Luis Alberto Sanchez, the nation's vice-president and APRA president, and Mr Luis Alva Castro, the recently-elected party secretary-general

RELATIONS between Libya

and the United States might improve in the "very near future" with a new administra-

tion under Mr George Bush,

the president elect, according to Mr Abdelati Laabidi, the

Libyan ambassador to Tunis. In an interview with a Tuni-

sian weekly, he said that Libya

presided over the meeting. The meetings recommendations were presented to and discussed with President Gar-cia late last night at the weekly council of ministers'

meeting.

Discussions are expected to include the possibility of a cabinet resbuffle and the announcement of a time for the minister of economy's message. It is also said to include proposals for a moves towards reconciliation with the international financial community. Mr Jose Barba, APRA con-

gressman, who received most votes at the recent APRA congress, to form part of the party's political committee, said: "If the president does not heed congress's decision then I pro-

was "ready for any dialogue

He said that the possibility was not there under the Rea-

gan administration, but "tak-

ing into account the changes in January when Mr Bush is sworn into office, relations

between Libya and America might make a slight improve-

pose that the party take dis-tance from Alan Garcia . . . The party will have to let him go his own way . . . Alan Garcia's destiny is not that of the APRA party." As President Garcia becomes increasingly isolated, the military is waiting to see who is holding the reins before appounding the tradional

of-year promotions. There are increasing sentiments that if Mr Luis Alva Castro is planing to be the APRA presidential candidate in 1990, then he should assert his independence from the president in the little time left, especially with regard to the

economy.
Mr Romualdo Biaggi the president of the Senate, said

CHINESE officials said

yesterday that they would probably punish at least seven

African students for allegedly beating Chinese workers, stu-

dents and teachers in a Christ-

mas Eve brawl that set off days

of anti-black demonstrations,

They said no Chinese stu-

AP reports from Nanjing.

after the nine hour meeting: "We are making a detailed analysis of the present situa-tion and drawing up future pol-tries to be adopted by the gov-ernment party in co-ordination with the president of the republic, APRA MPs and the political committee in an attempt to reach solutions which will raise the country's hopes and balance the economy in the first quarter of

1989. As the year ends, milk and flour are still in short supply. public sectors.

The Government slipped in price increases for bread, rice, flour and pasta over the Christmas weekend, compensating for this with a monthly bonus for workers in the private and

dents would be punished for participating in the clash and subsequent demonstrations, or for sacking the rooms About 140 Africans students remained in isolation at a

Libya envoy says ties with US may improve | Protestors in Nanjing 'to be punished'

guest house outside the city. Yang said the seven "suspects" also were at the guest sands of them and they provide

# private co-operatives

SOVIET authorities have banned the country's mushrooming private businesses. from trading in a wide range of goods and services - including selling video films, producing alcohol, and treating venereal disease. Reuter reports from

The restrictions, ordered by the Council of Ministers and published by the official Tass news agency yesterday, were announced unexpectedly without any public discussion.

The announcement said cooperatives could engage only in some activities, such as pub-lishing, making jewellery and giving certain types of medical assistance if they had con-tracts to do so with state enterprises. Tass said that city councils had until February I to bring local co-operatives in line with the decree.

Political analysts said the restrictions seemed certain to stifle some small private businesses, first permitted two years ago as part of economic reforms launched by Soviet leader Mikhail Gorbachev. There are now tens of thou-

goods and services that would otherwise be in very short supply in the state-run economy. For example, in Moscow one co-operative offers medical advice, another has opened a kindergarten with special reading courses.

new order atives from a whole range of incrative activities such as selling jewellery; selling, renting, copying or showing video films; producing alcohol and buying and selling goods belonging to foreigners.

Also banned are organising private schools, manufacturing drugs, weapons and explosives, establishing pawn shops, casinos and lotteries, and producing items with religious symbols achieves condice. bols or church candles.

The ban also includes giving medical treatment for pregnancy, cancer and venereal disease. Tass said that small businesses would no longer be allowed to trade in foreign currency in cash. This appeared to suggest that any foreign currency dealings would require bank transfer forms, credit cards, cheques or other paper-

# overshadow Korea talks By Maggle Ford in

Panmunjom, Korea

AN ANNUAL military exercise involving more than 100,000 US and South Korean troops in war games has emerged as a barrier to talks between North

The exercise, code-named Team Spirit, is held every spring in South Korea in the face of strong protest from

terday between parliamentary delegations, the North Kor-eans urged Seoul to call off next year's exercise, which will coincide with several

Mr Chun Geum Chul, leader of the northern delegation, said that Pyongyang had been forced to call off a previous round of contacts in 1986 because the exercise had increased tension. He hoped that by raising the matter now a repetition could be avoided. The north's action put pres-sure on both South Korea's President Roh Tae Woo and Washington to show their

commitment to peaceful change on the peninsula. General Louis Menetrey,

reduce its high profile, espe-cially in Seoul. The leader of the southern

delegation, Mr Chae Mun Shik, said the delegation could not discuss military exercises in principle.

field a joint team at the 1990 Peking Asian Games, an invitation to southern students to attend its world youth festival in July and a proposal for high-level political and mili-tary talks. The south has suggested that the two coun-tries' prime ministers meet in

# Morocco celebrates successes in budget management

By Francis Ghiles in Casabianca

AN INCREASE of about one-fifth in tax AN INCKEASE of about one-first in tax receipts and the continuing decline in the ratio of budget deficit to Gross Domestic Product are two outstanding features of the management of the Moroccan economy and budget this year. A target ratio of 4-5 per cent had been set for 1988 by the International Monetary for 1988 by the International Monetary Fund which has been closely monitor-ing the Kingdom's economy since 1980. This year's achievement of 5 per cent looks reasonable.

Next year's IMF target of 8.5 per cent looks at first glance rather ambitious although much depends on this winter's rainfall and the value of next year's crop as much as on stricter management. It is also worth pointing out that GDP growth ratios for the past eight years have been recently revised upwards as the authorities try to take account of the output in the parallel economy. The result has been to push up the value of output by an average of 15 per cent every year and thus reduce

is, GDP this year will grow by an estimated 6 per cent which is roughly twice will spend them for the same purposes. as much as the rate of growth of the

population.
Tax receipts are rising because VAT and a lower corporate tax, both of which were implemented last year are now bringing in more money. Tax receipts are forecast next year to rise by 14 per cent to Dirham 58.3bn (£3.9bn) whereas expenditure by central govern-ment will rise by 7.2 per cent to Dh 62.1bn Most of this increase will go towards current expenditure which will rise by 14.7 per cent to Dh 28.8bn, reflecting an increased wage bill and the creation of 14,000 jobs, mostly in

However many ministries will see their expenditure slashed - education by 30 per cent, health by 21 per cent and housing by 66 per cent. These cuts will not necessarily reflect cuts in real terms as next year, for the first time 30

will spend them for the same purposes.

Capital expenditure by central government will decline by 13.2 per cent to Dh 13.9bn. Figures for capital expendi-ture written into the Moroccan budget are however traditionally very optimis-tic and thus provide a poor guide to how much will be spent.

The cost of servicing the state debt both external and domestic will increase by 15.3 per cent to Dh 20hn while the level of domestic state arrears appears to be continuing on its downward trend. It now officially stands at Dh 2bn but in reality the figure is probably somewhat higher. Meanwhile state borrowing this year declined by 24 per cent to Dh 17.8bn but this fall is more apparent than real as the Government ing import procedures and encouraging has put much pressure both on individuals and companies to help finance the is expected to provide a further loan Hassan II Mosque in Casablanca, which with the same aim as the recent one is due for completion on the sovereign's from the World Bank.

60th birthday next July. Finance thus raised is worth Dh 3bn this year alone. Morocco's external account has meanwhile improved this year. The trade deficit for the first nine months of this year has been cut back by Dh 800m to Dh 8bn as exports both of manufactured goods, fertilisers and phosphoric acid have surged ahead. Receipts from tourism are expected to improve by one fifth compared with last year while remittances from Moroccan workers abroad will probably be unchanged compared with 1987 when they reached

• The World Bank has recently approved a \$200bn loan to help with the Structural Adjustment Programme the Bank has with Morocco. The money will support measures aimed at reduc-

# India and China to explore technology exchange

By K.K.Sharma in New Delhi

THE recent visit by Mr Rajiv . Gandhi, India's Prime Minister, to Peking, the first by a senior Indian leader to China for 34 years, has led to an agreement to improve bilateral relations. Priority is to be given to boosting trade between the countries, which is at present mini-

A ministerial committee formed to look into improving relations is expected to meet soon to consider which goods the two countries can exchange and the technology they can offer each other for their modernisation plans. If the talks proceed on expected lines, the turnover for two-way trade could increase to \$200m (£111m) next year although this is still insignificant.

It will be a considerable improvement over the \$120m recorded last year and should pave the way for a substantial expansion. Identification of items that China and India can offer each other has started but officials recognise that much will depend on the progress made in improving their political relations.

An agreement for giving each country most favoured nation treatment is expected to be worked out within a year and this should help considerably in boosting bilateral trade. This will be added to by strengthening the India-China Business Council which has met three times in recent years without any result. Indian offi-

cials hope to be able to export substantial quantities of engi-neering goods, especially tex-tile machinery for China's growing garments industry.

Another item with good potential is petrochemicals products since China expressed interest in the Patalganga complex in the western Indian state of Maharashtra. China is also anxious to establish joint ventures with India on the pattern of such investments made with Soviet companies in the last couple of years. As a first step, the hotel industry, computer softwear and engineering goods have been identified for purposes of launching the joint

During talks between Mr Dinesh Singh, India's Commerce Minister, and his Chinese counterpart in Peking, the question of imports of Chinese raw silk was taken up and the Indians were assured that supplies would not be held up as in the past.

# Japanese minister shrugs off 'quit' call

JAPANESE Justice Minister
Mr Takashi Hasegawa
yesterday ruled out resigning,
despite opposition calls for him
to step down, Agencies report
from Tokyo.
Mr Hasegawa, appointed on
Tuesday to root out political
representation, admitted her

from a company at the centre of the Recruit Cosmos share scandal. "Receiving contributions from Recruit Company was careless and I reflect on what happened," he said. "(However) I will continue to

corruption, admitted he received political contributions

carry out my duties as justice minister rigorously," he added. "The fact that my political group received contributions from Recruit should not cause any problems in carrying out my duties."

Prime Minister Noboru

Takeshita yesterday said Mr Hasegawa would stay in office, even though he "lacked prudence" in receiving donations from a company being probed in a major political scandal.

Mr Takeshita also instructed Chief Cabinet Secretary Mr Keizo Obuchi to look into the history of other new Cabinet members' ties with Recruit Company, an information and publishing concern.

Mr Takeshita told reporters that he did not think the minister knew about the contributions until Wednesday, a claim Mr Hasegawa repeated

After taking office in a cabinet reshuffle, Mr Hasegawa told reporters he had "nothing whatever to do with Recruit. That is why I am here with you now." The company's subsidiary Recruit Cosmos offered cheap

shares to prominent politicians

before public issue. The share prices later rocketed. Disclosure of the share scandal led to the resignation earlier this month of finance minister Mr Kiichi Miyazawa and the chairman of Nippon Telegraph and Telephone.

Critics say the share sales were in effect contributions made to gain political influence and business

advantages.
Opposition party leaders said
Mr Takeshita should take responsibility for appointing Mr Hasegawa in Tuesday's Cabinet reshuffle without checking whether he had ties

with Recruit.
"Appointing a person related to the Recruit scandal as justice minister, who is in charge of investigation into the scandal, is out of the question. It is not something they can get away by saying they did not know, said Mitsuhiro Kaneko, head of the Japan Communist Party's secretariat.

# at unlawful payment allegations By Robin Pauley, MR Ronnie de Mel, Sri Lanka's

De Mel hits

former finance minister, yes-terday angrily denied allega-tions of unlawful payments from British companies.

The Sri Lankan Government has set up a commission to investigate the alleged pay-ments and also to probe com-panies in which Mr de Mel or his family members have financial interests.

Speaking from Bangalore in India where he is on holiday Mr de Mel said: "I totally deny the allegations which my political enemies have fabricated against me. I have not received any unlawful pay-ments from any firm or bank at any time. Neither have I nor any member of my family unlawfully benefited in any way from decisions of mine while I was minister of

ers of this government which I am spearheading in Sri Lanka.
"After my holiday I will go back to Sri Lanka for the com-ing parliamentary elections." Mr de Mel was finance min-

ing the result.
Mr Lalith Athulathmudali,

said Mr de Mel left the country

which begins on January 15. The poll is on February 15.

and another connected with a currency printing plant. The investigation will also

# War games

and South Korea.

Pyongyang, which regards it as dangerous and provocative. The US and South Korea call the exercise a deterrent to war. At talks on the border yes

planned meetings between the two sides.

commander of the combined US and South Korean forces, said earlier this year that the 1989 Team Spirit exercise might be reduced in size due to budget constraints. Rising anti-Americanism has led the US military to take steps to

Pyongyang has launched several proposals in the past month, including a plan to (incorporated under the Laws of Brazil)

**Exchange of existing Bearer Depositary Receipts** and Provisional Share Certificates for new Bearer Depositary Receipts.

At present, shares in THE BRAZIL FUND S.A. are lastly represented by Bearer Depositary Receipts and Provisional Share Certificates, issued by European Overseas Issuing Corporation S.A. Consequent upon a change of depositary to NMB Depositary Company B.V. a subsidiary of NMB Bank, it has been decided to issue new Bearer Depositary Receipts in exchange for the existing Bearer Depositary Receipts and Provisional Share Certificates

BDA holders should lodge their existing documents of title as from January 23, 1989 with NMB Depositary Company 8.V. in Amsterdam, the Netherlands, which documents, in denominations of 1,000 and 10,000 Depositary Shares, will then be exchanged free of charge and proportionally for new Bearer Depositary Receipts in the new denomina-tions of 1, 10, 100, 1,000, 5,000 and 10,000 Depositary Shares, representing 10 shares each in the Fund.

The existing documents of title will continue to be good delivery against bargains should the BDR holder for any reason not exchange them for new Bearer Depositary

The Terms and Conditions as well as the Deposit Agreement will be filed with the Depositary and will be open for inspection by any BDR holder at the Depositary's office in Amsterdam during normal business hours.

Amsterdam, December 30, 1988

NMB Depositary Company B.V. location code: HD 00.04 De Amsterdamse Poort 1102 MG Amsterdam

# **UK NEWS**

Growth in money supply fuels speculation over further rise in rates

# NatWest leads rise in mortgages

CURRENT MORTGAGE RATES

12.75

By Richard Waters and Simon Holberton

Hallfax

Abbey National Nationwide Anglia

MORTGAGE rates started moving higher yesterday, sig-nalling a wave of rises follow-ing the climb in base rates to 13 per cent in the autumn.

Yesterday also brought further support to speculation that base rates may have to rise again, implying even higher mortgage rates. The Bank of England released its ast weekly banking return for December which indicated that the growth in money supply accelerated slightly this month. It gave support to reports from retailers over the past week that consumer spending has remained strong. The rises were announced by National Westminster bank and the savings institution,

Woolwich Building Society, and were the first by any major lender since October 1. Other leading banks and societies have said they will increase their rates but have been waiting for a lead from Halifax, Britain's largest building society. Several also said yesterday that they would prefer to wait longer to see whether interest rates rose

NatWest, with the secondlargest mortgage book of any bank at £6.3bn, said its rate would rise a full percentage point to 13.75 per cent. Woolwich, the fourth largest

Woolwich\* 13.0 13.7 12.8 13.2 TSB 14.2 15,3

society with £7.6bm of mort-gages at the end of last year, said its rate would rise by % percentage point to 13.5 per

The increases will add about £16 a month to the cost of a

The latest increases mean the highest mortgage rates since April 1985, when they stood at 14 per cent.

Other lenders yesterday said they hoped to keep their rises below 1 point, with the 13.5 per cent of the Woolwich being the favoured rate. One factor restricting the increase is the slowdown in the house market, which is creating far greater competition among lenders for

Mr Jim Birrell, chief execu-

yesterday launched a £4m advertising campaign aimed at encouraging large companies to become involved in Employ-

ment Training - the Department of Employment's £1.5bn

programme for the adult

long-term unemployed. The poster and TV cam-

paign, which will run for three

months, will highlight a set of

eight large companies which have decided to offer work

ees on the programme.

Mr Norman Fowler, Employ-

nent Secretary, said the com-

panies had given the pro-

The companies involved are the iBM computer group, Wim-pey and John Laing, the con-struction companies, Sains-

gramme a

ringing

By Charles Leadbeater, Labour Editor

GOVERNMENT

tive of the Halifax, said in a statement yesterday: "The Halifax will announce its rates after the new year break, most probably effective from February 1 1989, but we expect our rates to be more competitive

(%)

than the banks." The Halifax's rate is expected to be "nearer 13.5 than 13.75," the society said. Other building societies are expected to settle at around this level, with banks opting for slightly higher rates.

However, more reliable comparisons are produced by APR (annualised percentage rate) figures, which take into account such factors as the timing of capital repayments and solicitors' and surveyors' fees. These figures, which indi-

Fowler launches ET ad campaign

bury, Comet and W H Smith, the retailers, Pilkington, the glass manufacturer, Ferranti International, the electronics group, and Imperial Chemical Industries.

In addition, the Department of Employment's Training Agency, which runs the pro-

gramme, plans to contact 2,700 companies which employ more than 1,000 people to explore ways in which they may

become involved in ET.

Mr Fowler said he was confi-

dent that a meeting in two

weeks' time between Training Agency officials and Sir Robert

McAlpine, the construction company head, would lead to the company expanding its

The company's directors recently decided not to partici-pate in new schemes because

BRITISH Rail has told leaders

of the National Union of Rail-

waymen that it intends to

impose a recently announced

package of pay-related measures on January 9 without waiting for union approval.
The move emphasises BR management's new "business-style" approach to industrial

relations as it attempts to

bring about changes to its

workplace organisation.

BR said last night: "It's our intention to implement (the package) on that date. It's not a matter that we are discussing

with trade unions in a negotia-

It may usher in a period of growing tension between man-agement and the NUR in the coming months, however, as

union officials attempt to regain control on issues relating to pay and conditions. The measures which BR intends to push ahead include

**British Rail set to** 

impose pay deal

involvement in the scheme.

By Jimmy Burns

cate the "real" cost of mortgages, reveal that NatWest and Woolwich will have the same APR from January 1, even though their nominal interest rates differ.

Concern about a fresh rise in base rates followed expection among some economists that the growth in MO, the narrow measure of money supply, would moderate under the dampening effects of higher interest rates. A slower growth in money supply would lead to a slower growth in spending.

However, the banking return, which gives a weekly snapshot of notes in circulation equal to about 85 per cent of M0, suggests that money supply grew by more than 8 per cent in December compared with a year ago. In November, M0 was 7.9 per cent higher than in same month for

The continued buoyant growth in M0 contrasts with recent official pronouncements on the economy. Two weeks ago, Mr Nigel Lawson, Chancellor of the Exchequer, said all the signs were that the economy was slowing just as he hoped it would.

Rates earlier this year full as

Rates earlier this year fell as low as 9.8 per cent but have since been forced up by a series of nine base rate

not enough trainees were com-ing forward. It said this was

according to prevailing wage rates, but an allowance worth

social security benefits.

about £11 a week more than

Employment Training aims

to offer an average of six months' training to about 600,000 adult unemployed peo-

ple a year.

Mr Fowler said about 106,000 people had joined the programme since its launch.

Only 18 of the 146 placements IBM is offering have

been filled, 22 of Wimpey's 666 placements have been filled, 35

of ICI's 121 places and 778 of John Laing's 2,338 places.

Comet 354 and Sainsbury 220

travel discounts, and perfor-

mance-related bonuses in the

BR says the measures are

part of a "necessary campaign to maintain and improve qual-ity of service to the customer." But there now appears to be little hope it will secure union hacking

backing.
The NUR, the largest rail

south-east.

W H Smith is offering about 200 places, Pilkington 300,

cause trainees were not paid

#### Notice of Mandatory Partial Redemption

# **Province of Quebec**

NOTICE IS HEREBY GIVEN that in accordance with Clause 6(b) of the Terms and Conditions of the Bonds, U.S. \$5,000,000 principal amount has been drawn for redemption at their principal amount, through the operation of the mandatory sinking fund, on the next Interest Payment Date being 1st February, 1989, when interest on the Bonds will cease to accrue. Principal amount ourstanding after such redemption will be

union, has told BR it considers the proposals "totally inade-quate and unacceptable" in tackling the wider problem of staff recruitment and reten-The NUR's main criticism is that the package "undermines the concept that shift working is a national phenomena which is rewarded equally, irrespec-tive of geographical location."

The union claims that the staffing problems will be only be solved if BR agrees to a "realistic basic rate of pay" and a reduction in overtime

# **Bank of England releases** modified sterling index

By Ralph Atkins, Economics Staff

AN UPDATED version of the Bank of England's sterling index, which shows the value of the pound compared with a Bank of England's sterling index, which shows the value of the pound compared with a basket of currencies, is to be launched by the Bank today. The index is based on more recent information about trade flows between the UK and other countries which has been used to alter the weight given to different currencies when

calculating the index.

It will be published alongside the existing version until Tuesday after which only the new index will be released. The present index is based

Drive for extra staff expected in new year

MORE than a quarter of employers expect to be recruit-ing staff during the next three months, according to a survey published yesterday by Manpublished yesterday by Man-power, the recruitment agency. Out of 1,460 companies, 27 per cent are likely to take on workers in the first quarter of 1988. This compares with 26 per cent in the same period of this year.

Employment Prospects, avail-able from Manpower plc, Man-power House, 270-272 High

The most significant changes include a fall in the weight given to the US dollar, from 24.6 per cent to 20.4 per cent. The weight given to European Community currencies has risen from 47.5 per cent to 55.6 per cent. Australia will no lon-

ger be included. The Bank said the effect of the change in weights would reduce the index by about 2 percentage points. Lex, Page 12

# Mortgage Rate Change

1st February, 1989.

Allied Irish Banks plc, announces that its Home Mortgage Rate will change to 13.75% with effect from close of business on 31st December, 1988. APR 14.5.



Bankcentre — Britain, Belmont Road, Uxbridge, Middlesex UB8 ISA, Tel: (0895) 72222. and branches throughout the country.

# BARCLAYS HIGHER RATE DEPOSIT ACCOUNT.

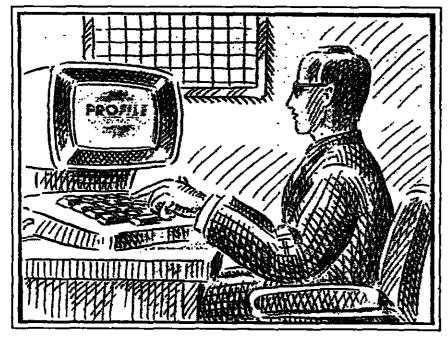
With effect from 6th February 1989 the minimum balance required to open a Higher Rate Deposit Account will be £500.

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**INFORMATION** 

Britain lags behind on workers' rights and conditions ers is substantially worse than those of other countries and in

By Jimmy Burns, Labour Staff

BRITAIN is behind its European counterparts in the provision of basic workers rights and workplace conditions, according to a survey published today by the trade unions' Labour Research

West Germany, Spain, France and Italy which together account for 83 per cent of the EC's total population and 85 per cent of the workforce. It notes, for example, that

whereas works' councils or trade union committees are common in companies throughout north and south Europe, in Britain there is no automatic right to representation in the workplace

Britain also stands alone among the countries surveyed in having no general legal limits on having more areas and an areas are also as a second surveyed and areas are also as a second surveyed and areas are a second surveyed and a second surveyed and areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and areas are a second surveyed and a second surveyed and a second surveyed areas are a second surveyed and a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed areas are a second surveyed and a second surveyed areas are a second surveyed and a second surveyed areas areas a second surveyed areas are a second surveyed areas areas a s its on hours worked and in having no statutory entitle-

ment to paid holidays. LRD states: "In terms of holidays, the position of UK work-

The TUC and its allies within the European Trade Union Confederation are press-ing for a "social dimension" to Department.
The survey examines legisla-tion and conditions in Britain, the creation of a European single market in 1992. But Mrs Margaret Thatcher, the UK Prime Minister, is publicly opposed to a formalised Community-wide structure of workers' rights, which she believes would conspire against workplace flexibility.

LRD notes that for British unions a "key concern" is increasing prices.

LRD adds that for UK employers the main concern, apart from resisting this pay pressure, is a further shift towards locally based bargaining, kinking pay to individual as well as plant performance.

\* Bargaining Report, December 1988, Labour Research Department, 78 Blackfriars Road, Longer 1988, Labour Research Department, 78 Blackfriars Road, Longer 1988, Labour Research Department, 78 Blackfriars Road, Longer 1988, Labour don SE1 8HF. (By subscription)

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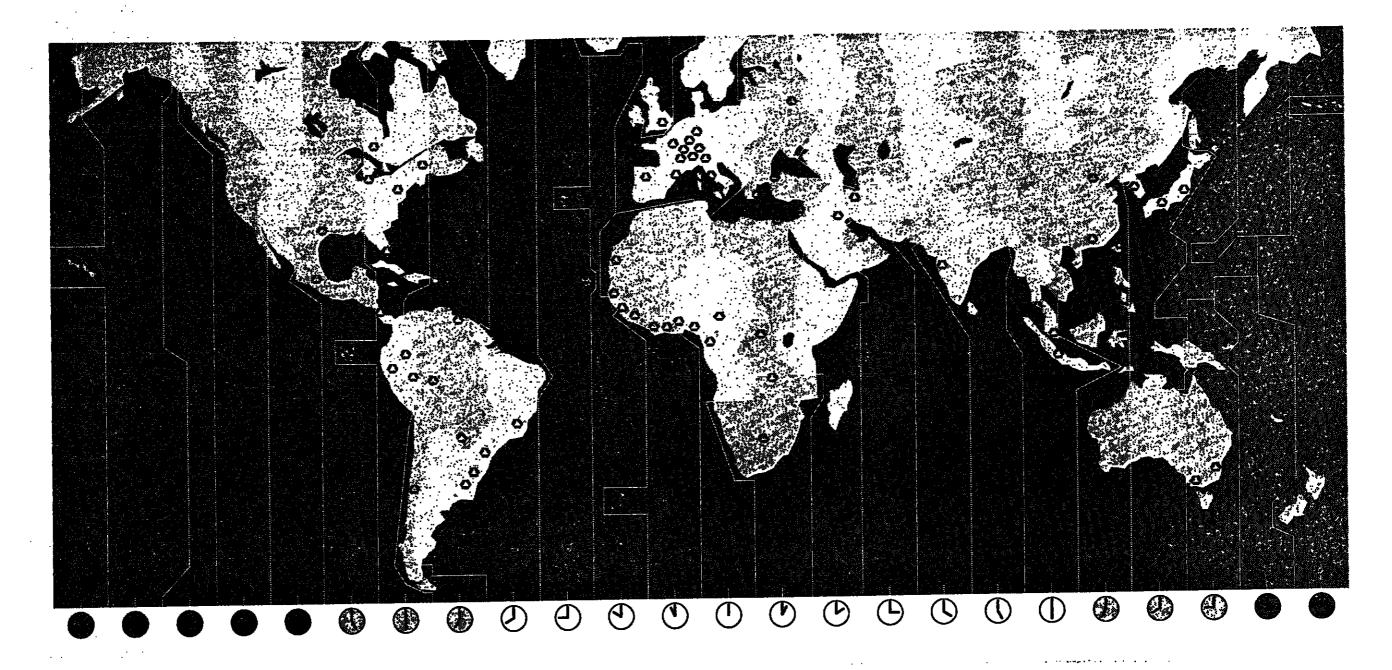
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Bankers Trust Company, London 30th December, 1988

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# Kinnock should be 'more tolerant over criticism'

By Ivor Owen, Parliamentary Correspondent

LABOUR cannot afford any more internal squabbles and Mr Neil Kinnock, the party leader, must be more tolerant in responding to criticism, says
Mr Bryan Gould, the shadow
Trade and Industry Secretary.
In defending his support for

a wide-ranging Labour policy review after its third succes-sive general election defeat, Mr Gould again demonstrates the qualities that have established him as a dominant Opposition frontbench figure.

His criticism of Mr Kinnock, His criticism of Mr Kinnock, in a new year message to his Dagenham constituency party, is suitably veiled. He says: "Unity must be a two-way process between leaders and led." Mr Gould insists that Labour has everything to play for next year and reaffirms his belief that "supply-side socialism" has a potential appeal beyond the party's traditional base. He believes the party can

He believes the party can make 1989 a watershed year in British politics — "the begin-ning of post-Thatcherism" and cites the Government's current difficulties in handling the economy to underline the challenges and opportunities for Labour.

Mr Gould says: "The notion that government and industry must work together is back in fashion now the inevitable results of leave-it-all-to-the-market laisser-faire are so

apparent."
He forecasts that Labour will publish the second stage of its policy review "at a time when illusions about the economy have been rudely shattered."
While the "Tory tabloids" would celebrate a decade of Thatcherism as if it were a



ers would want to know why Mrs Thatcher had presided since 1979 over the worst annual growth rate of any Brit-

Bryan Gould: 1989 'can be watershed year' for Labour

ish government.
Mr Gould complains that the interests of finance still pre-dominate over production in the boardroom and the Cabinet, and that the chronic
"short-termism" of the accountant still rules over the vision
of the scientist and engineer.
He also highlights the prospects for Labour escaping from
its unilateral nuclear disarma-

ment dilemma by putting the case for demanding a matching response from Britain and other Nato members to the recent disarmament initiative launched by Mr Mikhail Gorba-chev, the Soviet president. Mr Gould says: "Then the Soviets should take another

step and 1989 could be the year for what can only be described as multilateral unilateralism."

# **Energy Efficiency Office** budget to be cut to £15m

THE budget for the Government's Energy Effi-ciency Office for the next financial year will be almost halved, to £15m, it was disclosed yesterday. The cut will be confirmed in the spending white paper early next year. It follows ministerial speeches on the importance of

energy conservation to combat the global warming of the so-called greenhouse effect. The EEO, set up by the Energy Department, promotes conservation by advising busi-nesses on the best efficiency direct subsidies but its budget this financial year is £24.5m.
Yesterday Mr Andrew

Warren, director of the Association for the Conservation of Energy, called the cut "a body blow against the battle to stop global warming via the greenhouse effect."

The effect is thought to be caused by carbon dioxide emitted into the atmosphere from power stations and other sources. Many scientists believe a warming of the globe is already detectable and that this could cause climatic

changes.
This month, Mrs Margaret

Thatcher, the Prime Minister, told businessmen meeting in the Royal Academy: "We must heed the dangers posed by the greenhouse effect. We are adding 3bn tonnes of carbon dioxide to the atmosphere a year. To ignore this could expose us to a climatic change whose dimensions and effects are unpredictable. So energy efficiency is crucial." Mr Warren said that in 1983

the Government said it wanted Britain to be Europe's most energy-efficient nation by 1990. Mr Peter Walker, then Energy nation's £35bn annual fuel bill by £7bn a year, thereby lowering pollution from fuel use.

Mr Warren said: "His successor, Cecil Parkinson now talks of taking £8bn off an annual bill which has soared to £39bn. So how much have we achieved even before this latest

Yesterday the Energy Department confirmed the EEO budget cut was about to be made. This year the Govern-ment cut up to £69 for loft insulation; energy surveys for industry; and television advertising campaigns on energy saving in households.



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30th December, 1988

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# Lloyd's syndicate to benefit from **US** verdict

By Nick Bunker

MEMBERS of the Richard Onthwaite insurance syndicate at Lloyd's of London could benefit by at least \$16m (£9m) from last week's verdict in the Rocky Mountain Arsenal pollution insurance trial in the

US, it emerged yesterday.

The verdict by a jury in a
California Superior Court in
San Bruno, near San Francisco, said that Shell Oil,
rather than its insurers had to rather than its insurers, had to pay for Shell's share of the pay for Shell's share of the cost of cleaning up toxic waste at the Arsenal, a former munitions and pesticides plant in Colorado. The jury's decision has delighted underwriters at Lloyd's, where many syndicates had participated since the 1950s in insuring Shell, part of Royal Dutch/Shell.

In the case of the Outhwaite

part of Royal Dutch/Shell.
In the case of the Outhwaite syndicate, number 317/661, the decision is important because it estimated last year that over the next two decades the 1,600 people who belonged to the syndicate in 1982 could face gross claims of £268m arising from US liability insurance policies issued since 1945.
Mr Murdoch MacLeod, a spokesman for Mr Outhwaite.

spokesman for Mr Outhwaite, the syndicate's underwriter, said yesterday that about 15 said yesterday that about 15 per cent of the claims, or about \$80m, had represented an estimate of expected pollution clean-up claims. This could be substantially reduced if appeal courts uphold the verdict and if insurers win other cases in which US manufacturing companies are trying other cases in which US manufacturing companies are trying to recover pollution clean-up bills under insurance policies. Mr MacLeod said that of the \$80m roughly \$16m had related specifically to the arsenal. "In and of itself, that isn't much," Mr MacLeod said, but added that the California jury's decision could set a trend.

Much of the rest of the £263m is made up of a forecast of claims from asbestos-related

injuries or property damage. The Outhwaite syndicate acquired potential liabilities on this scale by agreeing in 1982 to issue 32 so-called runoff policies to other Lloyd's syndicates and to Fireman's Fund, the US insurer.

Under these policies, the Outhwaite syndicate took over the US liabilities of other underwriters at Lloyd's.

#### **Fabrics business** sold for £8m in buy-out deal By Alice Rawsthorn

A MANAGEMENT team has bought out the fabrics business acquired by the Oakwood Group through its merger with CoxMoore this summer. The cost of the buy-out was £8m.
Oakwood, which is involved in electrical engineering and textiles, joined forces with CoxMoore in August. It has since pursued a strategy of selling or closing the latter's peripheral textile interests to concentrate on its branded

knitwear activities.

The sale of the fabrics business to the buy-out team forms part of this strategy. The man agement has won control of four fabrics companies, which made pre-tax profits of £815,000 on sales of £21.6m in the 13 months to April 30. The business will be renamed the

Abbeygate Group.
Abbeygate embraces four companies, with 500 employees, based in Leicestershire and Lancashire. They are Bell Woven, Hoyle Butterworth, Ingram Dyeworks and Hail &

The buy-out team is composed of five Abbeygate execu-tives led by Mr Peter Land, at present director of CoxMoore's fabric division. The buy-out was co-ordinated by 3i, Investors In Industry.

# Freeports fail to see their ships come in Richard Tomkins on why Britain's free trade zones have been a big disappointment BRITAIN'S experiment with freeports - launched by the Government four years ago with the aim of creating businesses and

jobs — seems destined to be labelled a flop.

Of the six Hamburg-style free trade zones set up in the UK in 1984, only two — Liverpool and Southampton - have achieved a measure of success. Belfast and Cardiff have never opened and Prestwick in Scot-land barely struggled into existence before ceasing to trade in

> Last month the West Mid-lands Freeport in Birmingham became the fourth to join the casualty list when its owners, Prudential Assurance, said it had "not captured the imagination" of potential tenants and was being cut to a fraction of

tis designated size.

The Liverpool and Southampton freeports have proved
commercially viable but even
these appear to have fulfilled few of the original aims: forma-tion of new business is mini-mal and the freeports are mainly used as storage and distribution points for imported goods such as consumer elec-

The poor take-up is in marked contrast to the enthu-siasm that greeted the idea four years ago. Mr John Dry-burgh, Prudential's director of property investment, recalls how Birmingham's freeport operators were initially overvhelmed with inquiries from manufacturers, processors and

"But," he said, "it soon became clear that the Customs



Sir Geoffrey Howe: budget speech introduced freeports

and Excise regulations were not going to permit many of the things people originally thought they would permit."
"People thought they were going to get a tax-free Utopia, and it just didn't work out like

The idea behind freeports is that a piece of land is cordoned off - usually adjacent to an airport or seaport - and treated as a foreign country for

customs purposes.

If incoming goods are processed and leave the freeport without entering the host country (or, in the case of EC countries, the EC), they attract no duty at all. If they do enter the host country, they attract duties only at the time of leav-

ing the freeport.

The result is a significant improvement in cashflow because capital is not tied up in duty paid until the goods are released. Bureaucracy is also reduced, no duties are paid on goods wasted or spoiled, and there may be freedom from local taxes and regu-Freeports were already com-

resports were already com-monplace elsewhere, especially the Far East, when Sir Geoff-rey Howe, then Chancellor, announced their introduction in his 1983 Budget speech. The six were designated in August 1984 for an experimental period

of seven years. However, initial enthusiasm evaporated as would-be users of the freeports read the small print. Most concluded that the supposed benefits were at best marginal and did not outweigh the costs of relocation.

Those who tried and failed to

get freeports off the ground say lack of enthusiasm from gov-ernment departments - notably Customs and Excise — resulted in a regulatory frame-work so tightly drawn that freeports offered practically no benefits that did not exist out-

side them.

Manufacturers, for example, were granted suspension of import duty on goods that were processed and subsequently reexported but this was already widely available in the form of inward processing

The cashflow advantage of delaying duty and VAT payments on imports was also available elsewhere in franchised warehouses, and there was no relief from local authority rates or corporate taxation, nor freedom from local regulations such as planning con-

Mr Ian Smellie, chief execu-

tive of Kyle and Carrick District Council - one of the shareholders in the defunct shareholders in the defunct Freeport Scotland, which briefly operated Prestwick Freeport – said the meagre benefits offered by freeports left them poorly equipped to compete with the incentives available in enterprise zones

and special development areas. Mr Alan Adams, marketing director of Pearce Construction (South West), the company that tried to start up the Cardiff freeport, agreed: "We just couldn't get the numbers to stack up to the degree that it

The Government maintains that people allowed their expectations of freeports to run away with them

would be to the customer's advantage to come here."

Dr Eamonn Butler of the Adam Smith Institute, the free-market think tank that strongly advocated the freeport concept, criticised their loca-tion as another weakness.

He said: "We said right at the outset that freeports would only work if they were located places where people wanted to go in any case.

"Instead they became instru-ments of employment policy. They were chosen for political reasons, not because they were in the right place."

On the other hand, South-

ampton - owned by the South-ampton Free Trade Zone consortium — is aided by its proximity to the prosperous proximity to the prosperous south-east, and Liverpool – part of the Mersey Docks and Harbour Company – benefits from the enthusiasm of Mr Frank Robotham, its irrepressible menager.

ible manager. Significantly, both these freeports are part of large existing ports, giving them clear cost advantages. Handling charges from port to freeport are low and the freeports have used existing port build-

ings, cutting investment costs.
Both say they make profits,
although neither say how
much, and both are expanding.
Yet both would accept that their success is more a result their success is more a result of location, price and service than the regulatory environment in which they operate.

The Government maintains that people allowed their success with the property with the service of the service with the service wit

expectations to run away with them and that it was limited in what it could offer by the Treaty of Rome. Its critics say lack of will is the greater obstacle and cite the example of the huge freeports operating successfully in Hamburg and

A five-year review of the freeport experiment is due in 1989. But a poor prognosis is expected: the planned abolition of the EC's fiscal frontiers in 1992 appears to undermine much of the freeport rationale, and while the viable operations will no doubt be left to con-tinue, few will be surprised if the freeport experiment as a whole is allowed to fade into

# **Press Council reform sought**

By Raymond Snoddy

MR LOUIS Blom-Cooper, chairman elect of the Press Council, wants a radical reor-ganisation of the council,

including a new constitution.

Mr Blom-Cooper, the lawyer
and journalist who takes over the newspaper industry's voluntary regulatory body next month, has written to newspaper proprietors seeking their agreement for the drawing up of a new constitution. After observing a number of

Press Council meetings, the new chairman is convinced of the need to streamline proceedings and reduce the number of At the moment the council has 14 representatives of the

newspaper industry and 18 representatives of the general public with a further eight officials

THE Sunday Newspaper

Publishing Company yesterday extended for the second time the deadline for raising the

£16.5m it needs to launch the

Sunday Correspondent.

The prospectus for the qual-

ity Sunday newspaper sched-uled for launch in late spring

now lapses and assumes the

status of an information memo.

December 21 was extended to

December 29. Now the com-

pany aims to settle its finances by the second week of January. The founders of the Sunday

HAMBROS, the City merchant banking group, intends to defend itself "vigorously" against a threatened damages action by the Norwegian state-

owned Guarantee Institute for

Export Credit in connection

with the collapse of a shipping empire controlled by Mr

Hambros shares fell 6p to 229p yesterday on the news.

The institute plans to launch

a legal action for NKrlbn

The original deadline of

By David Lascelles, Banking Editor

By Raymond Snoddy

of publishing bodies entitled to attend meetings in a consultative capacity.

Mr Blom-Cooper's reforming

moves come as the issue of a voluntary Press Council adju-dicating on grievances and trying to set codes of conduct becomes a political issue.
Two private members' bills are due to come before the

are due to come before the
House of Commons next year

one would introduce a general right of privacy, the other
a statutory right of reply.
Yesterday Mr Blom-Cooper
emphasised in a BBC radio
interview that he did not want
the council to have statutory the council to have statutory

powers such as the right to fine journalists. He believed, however, that it should have a higher profile. Sir Zelman Cowen, retiring

Newspaper extends cash deadline

Correspondent include Mr

David Blake, a former econom-

ics editor of The Times, Mr David Lipsey, former editor of New Society, and Mr Gavyn Davies, chief economist at Goldman Sachs International.

The funding is being spon-sored by Prudential Venture Managers, part of the Pruden-tial group, which is believed to

have committed £2m.

Mr Nicholas Shott, chief

executive said further pledges of financial support had been received since last week but other potential investors had

Hambros to contest Norwegian lawsuit

(£85m) as part of its investiga-tion into the late Mr Reksten's

empire. Hambros led a consortium of

banks which loaned \$160m (£39.4m) to the Reksten group

in the 1970s. However, in 1982 it signed an agreement with the institute whose object, it says, was to make "a perma-nent and final settlement" of

any claims arising from the

affair. The institute now claims

that Hambros did not provide

chairman, argued in the council's 37th annual report published yesterday that an effective voluntary council • Full compliance with the rules on publishing of adjudi-

Quick response and direct involvement by editors in deal-ing with Press Council com-

 Newspapers obeying all Press Council rulings.
 The council handled a record 1,567 cases in 1987 with 159 full

1,567 cases in 1867 with 135 hill adjudications. The Sun had most complaints upheld against it — 15 — followed by the Daily Mail with 9. The Press and the People; Press Council, I Salisbury Square, London ECAY 8AE; £8.50 plus 60p postage.

asked for more time because of

Mr Shott said: "There is no doubt . . . that the money is

The delay would not, he said

affect the company's ability to launch the paper on schedule. Mr Shott declined to say

what ratio of the financing had

already been pledged.

More than 400 journalists

have written to express inter-

est in joining the paper, which aims to fill a gap at the top end

of the Sunday market due to shortcomings of existing titles.

the Christmas break.

out there.

# Entrepreneurs 'rarely make use of previous experience' By Vanessa Houlder

BRITISH entrepreneurs rarely exploit market knowledge gained from their previous employers, in contrast to their US counterparts, according to a survey published this week. Few of the activities of the UK entrepreneurs surveyed were related to those of their previous organisation. This compared with a study last year by the same author which showed that 43 per cent of US entrepreneurs had started in

direct competition with their previous employer. The research, which was based on leading UK owner-managed firms, also high-lighted large differences in the educational backgrounds of British and US entrepreneurs British and US entrepreneurs. Almost half the UK sample left school at 16 and no one had a post-graduate qualification. The most common career path

In a comparable US sample, however, almost three quarters of the entrepreneurs had a first degree and more than half had

a post-graduate degree.

None of the UK entrepre-neurs surveyed had parents with managerial experience in a large organisation. Instead,

they were typically self-em-ployed or employed in a small firm. This contrasts with the US study in which half the entrepreneurs came from the professional or managerial The survey was based on 31 of the 100 largest UK companies in which the the executive

concerned had a stake of at least 20 per cent and was a founder or a descendant of the The sample reflected a concentration of businesses in the service sector and in London and the south east. The age of

the companies indicated, how-ever, that this trend was not recent. The authors concluded that entrepreneurs were uninter-ested in economic policy although generally positive about the current Government

In addition, they viewed City institutions "with an indiffer-ence verging on hostility." The British Entrepreneur 1988: A study of the top 100 owner-managers, by Sue Birley, Professor of Entrepreneurship at the Cranfield School of Man-agement, with Liz Watson of

# Willis fears for economy

BRITAIN'S prospects were worse than for any "stop" period in the stop-go eras, Mr Norman Willis, general secre-tary of the Trades Union Congress, said yesterday. In a new-year message, he said there was increasing evidence that the so-called "fun-

damentally strong" economy of Mr Nigel Lawson, the Chancel-

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lor, had been built on the shifting sands of an unsustainable

could be blown away by the return of high inflation or an old-style balance-of-payments crisis. It is a prospect that con-cerns me and every trade unionist whose standard of liv-ing is threatened."

Granville Davies Limited 8 Lovet Lane. London EC3R 88P Telephone 01-621 1212

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# through the institute. Relaxation of curbs on charities urged

By Alan Pike, Social Affairs Correspondent

THE GOVERNMENT is coming under pressure to relax the legal controls restraining the investment powers of British

charities.

Most charities are covered by the 1961 Trustee Investment Act, which prevents direct investment in many newer forms of activity including the Unlisted Securities Market, options, futures, underwriting contracts and overseas invest-

While this may have helped to protect funds against unduly hazardous investments, there is a growing feeling in the charity sector that the con-straints of the act are preventing organisations from obtaining the best return on their

The Charities Aid Foundation, in an assessment of investment law compiled after questioning a range of leading charities, says that charity trustees must decide whether or not to make a particular investment in the light of the degree of risk and other relevant factors. However, "set against 20th century rates of inflation, trustees act as impru-dently by investing too safely as they do by undertaking wil-

A white paper on the organi-sation of charities is expected from the Government in the spring, followed by legislation in 1990. Supporters of a more liberal approach to investment powers hope the Government will avail itself of the opportu-nity for legislation in 1990. Investments form an impor-

tant, although often little appreciated, element of income for Britain's charities. Invest-ment policy has a much lower profile than fund raising in many charities. Yet last year the leading 400 charities received £145m from rents and investments - 18 per cent of their total income - compared with only £82m from voluntary fund raising.
Under the 1961 act, charities

have to divide their capital into two equal parts to be invested in narrower-range and wider-range investments. Narrower range investments include Defence Bonds, National Savings Certificates, National Savings Bank deposits and a variety of mainly gilt-edged and other fixedinterest securities. Wider range investments are defined as UK companies, building societies and authorised unit trusts.

A study carried out by Phillips and Drew Investment Services for the Charities Aid Foundation showed that since 1962 the value of fixed interest assets had been undermined in comparison with equities. "It follows that a charity whose powers of investment are restricted to investments

authorised by the 1961 act, and which must therefore divide its funds between narrower and wider-range investments, will be at a disadvantage," says the report on the foundation's investigation. Such charities would also be prevented from investing in smaller companies when the property of the companies when the companies nies, where substantial growth might be expected, in the USM

A minority of charities already have wider powers of investment than those permitted by the 1961 act and the Government will be urged to make greater flexibility over investment issues available to all charities by 1990. However, there is evidence that not all charities would be quick to take advantage of such new investment opportunities.

dies to which it is entitled."

The Charities Aid Founda-tion investigation found that, even where individual charities have wider investment powers than those contained in the 1961 act, trustees remain conservative in their approach and are cautious in the use of underwriting and overseas

"Avoidance of undue risk taking and activities which may be construed as trading are elements in this policy, as is the keeping of assets in a form readily convertible to cash to meet the working needs of the charity," says the

### "full and relevant information" about the loan. Hambros said it "totally rejects any liability arising out of the affairs of Hilmar Rekstan" and if any action was brought it would "defend itself vigorously and seek all reme-SPONSORED SECURITIES 293 185 Ass. Brit. Ind. Ordinary 293 186 Ass. Brit. Ind. Ordinary 293 186 Ass. Brit. Ind. Calis 2 25 Armitage and Brodes 2 3 888 Besida group (USM) 173 155 Bardon Group Conv. Pref. 117 100 Bardon Group Conv. Pref. 118 103 8ray Technologies 114 100 Breahill Conv. Pref. 287 246 CCJ Comp. Porlinare The shipping empire found-ered in the late 1970s, and its 0 2.1 6.8 4.8 0 2.7 1.7 27.7 6 6.7 6.3 -1 5.2 4.8 7.9 0 11.0 10.0 -0 12.3 4.3 4.3 0 14.7 8.7 0 6.1 4.4 12.0 0 10.3 9.4 0 12.0 3.4 7.8 0 12.0 3.4 7.8 loan losses were borne by the Norwegian Government 0 3.3 37 113 Securities designated ISED and RUSBIT are dealt in subject to the rules and regulations of The Stock Exclusings. Other securities listed above 2re dealt in subject to the rules of TSA These Securities are dealt in strictly on a matched bargain basis, Neither Granville & Co-Limited nor Granville Daries Limited are market malors in these securities

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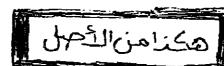
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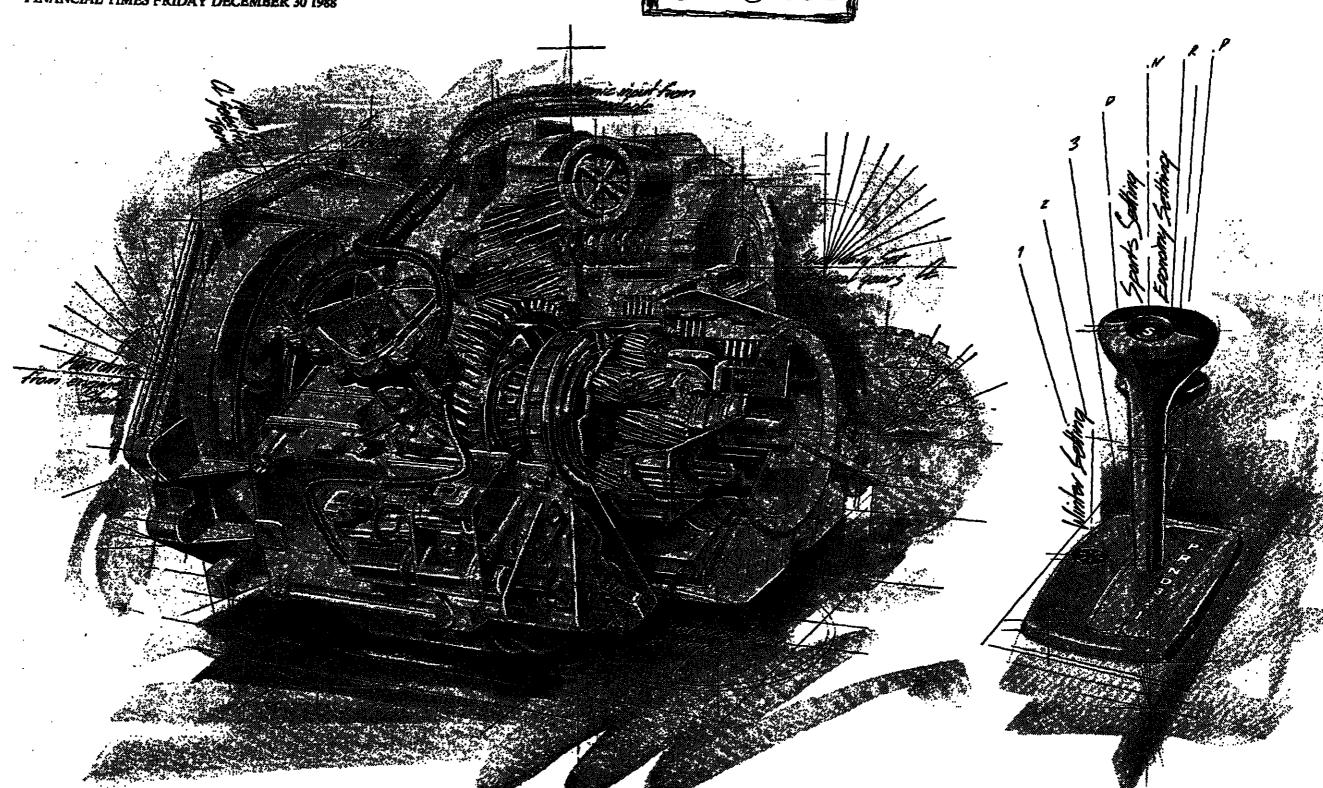
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FINANCIAL TIMES FRIDAY DECEMBER 30 1988





# WEFITEURO MOSTADVANC AUTOMATIC. BUTWE CANTIEL HOWIT WORKS.

It's not that we don't know how it works. We do. We're just not allowed to tell you.

You see, the gearbox is so technically advanced that we've agreed with its developers to keep the details shrouded in the utmost secrecy.

Still, we can show you how it performs. And, suffice to say, it performs superbly.

Start up, shift into Drive and you're straight into Economy' setting.

This saves petrol by shifting into a higher gear as fast as possible, while keeping the revs down.

What happens, though, if you get stuck behind some Sunday driver crawling just above stalling speed?

Then you will find the Power' setting rather useful for fast, safe overtaking.

This gives you the full power of the engine right through the gears, by holding each of them for as long as possible before changing up.

Finally, should it actually snow, there's a 'Winter' setting.

Winter' reduces the chance of wheelspin by bypassing first and second so you set off in third.

Then, as you speed up, it switches back into 'Economy'.

But whatever setting you're in, you'll find the gears remarkably smooth.

Thanks to a computer that reduces the revs momentarily, making each gear change almost imperceptible.

And, in the unlikely event of a fault, it'll switch into 'Economy' to safeguard the transmission.

So is our latest automatic gearbox the most advanced of its kind in Europe?

Ah well, that's for us to know. And you to find out.

VAUXHALL. ONCE DRIVEN, FOREVER SMITTEN.

Insurance

# Why Generali shuns hostility

Alan Friedman explains the Italian group's expansion strategy in advance of 1992

ranz Kafka used to work for Assicurazioni Generali. Indeed the Czech writer penned most of Metamorphosis while an employee of the Triestebased insurer, labouring by day as a lowly clerk in the group's Prague offices and scribbling furiously (about a clerk who turned into a cock-

roach) by night. In the city of Trieste, at the grand old headquarters of Generali, Italy's leading insurance concern and the world's second biggest in terms of mar-ket capitalisation (\$18bn), yellowing documents bearing Kafka's signature are displayed proudly alongside other Middle European relics of the Haps-burg era. And a stroll through the creaking corridors of Generali's executive suite inevitably conjures up visions of years that followed the foundation of Generali in 1831. when Trieste was still part of the Austro-Hungarian empire.

#### At home

Enrico Randone, the 77-yearold chairman and principal managing director of Generali, seems right at home in the 19th century milieu. A highly reserved insurance man of the old school, the chain-smoking Randone has spent 51 years at Generali. Along with his old friend (and influential Generali shareholder) Enrico Cuccia, the 80-year-old eminence grise of Mediobanca, the Milan merchant bank, Randone symbolises a certain attachment to the old ways of doing business, where company takeovers are negotiated between gentlemen and hostile bids don't exist. The public takeover bid." Randone has said, "is an aggressive form of finance and is not in the Generali style."

Despite the old-style image, however, Generali is on the move. The company is reorgan-ising the way it manages its 49 insurance subsidiaries around the world, trying to cut costs at home in Italy and seeking ways to enlarge on an already substantial spread of interests in Europe. There is, as Randone admits, much work to be

made possible by a technique which telephone companies in the US and Europe are employing to give their prime busi-

ness customers a better ser-

Called a flexible access sys-

tem (Fas) it uses a combination

• Optical fibre: strands of

glass in a plastic coating which are bundled together into a

cable. This replaces the tradi-tional copper telephone links. When a telephone call is made, the voice message is translated into digital light pulses which are flashed by laser down the fibre. The electronics at the

receiving end translate the light signal back into sounds.

Multiplexers: electronic

boxes installed on the cus-tomer's premises which

squeeze a number of individual telephone calls down one large

optical fibre pipe. James Capel, for example, has 90 optical fibre extension lines which are

squeezed into three pipes for transmission to the local

exchange. The multiplexers are

controlled by software which can be modified from a control

Software controlled tele-

phone exchanges, called cross-connect switches: each cus-tomer is connected to a local

switch which is connected to

other such exchanges on an optical fibre network. Users

can be linked together on the

network by reprogramming the

software, eliminating the need physically to engineer a con-

done. For while Generali is the Rolls-Royce of Italian insurance and, with an expected L10,800bn (\$8.3bn) of 1988 con-solidated group premiums, also one of Europe's leaders in the sector, the senior management knows it must not sit back as the EC's liberalised internal insurance market begins to take shape.

in European financial circles the Italian insurer's most news-making initiative of 1988 was undoubtedly its slowmotion attempt to secure effective control of Midi, the French diversified insurance and financial concern. Over the past 12 months Generali has spent a grand total of L1,250bn (\$957m) in buying up a total of 15.5 per cent of Midl equity. But Midi's merger with the Axa group, which now owns 28.6 per cent of Midl, combined with a number of delays imposed by French authorities, have diluted and slowed Gener-

ali's French campaign.
Randone insists that he has no hostile designs on Midi. He only wishes to add Generali's strength in France (around \$1bn of 1988 premiums came from Generali's French subsidiary) and its world-wide spread of activities to the domestic French premium base of Midi. With a sardonic smile the Generali chairman says: "We are in a stalled phase because of the dispute between Bernard Pagezy, Midi's chairman, and Claude Bebear, chairman of Axa, and we will decide what to do in future on the basis of this row and on the basis of the costs involved in acquiring additional Midi stock." It is widely expected, how-

ever, that Generali will move to build its stake up to 20 per cent, and possibly beyond. Apart from France, it appears that Generali's major preparatory move ahead of 1992 will be to try to cut its above-the-European-average costs of doing business back at home in Italy. Generali would like to be stronger in West Germany, where it accounts for 2 per cent of the nation's premiums, and feels that critical mass in what is Europe's big-gest insurance market should



Enrico Randone: The aggressive takeover "is not in the Generali style"

be closer to 5 per cent.
But Generali has no immediate acquisition plans in West Germany, nor does it see any prospects in the UK. And Spain, says Eugenio Coppola di Canzano, who along with Randone and Alfonso Desiata is part of Generali's ruling troika of managing directors, has seen "too many takeovers at too high prices."

Coppola stresses, however, that with its network of companies in EC countries as well as Switzerland and Austria, Generali "is already the most European insurance company. And he adds his view that "acquisitions are not the only answer to 1992; it may seem obvious, but reorganising and reinforcing our existing presence may be as effective a strategy in many countries.'

Italy, which in 1988 is expected to have represented 51 per cent of Generali's group pre-mium income (or L5,500bn worth), is meanwhile a key priority. And the past few years have seen Italy's life market grow substantially as high-saving Italians have been persuaded that life insurance is worth having. As recently as 1985 Italy ranked 25th in the world in terms of per capita spending on life insurance. The growth since then has been phenomenal; from its low base Italy's life premiums jumped by 33 per cent in 1985, by 38 per cent in 1986 and by 39

per cent last year. In 1988 life premiums have grown by 27 per cent, but the potential mar-ket is seen by industry analysts as at least double the present total of L5,000bn of pre-miums. Generali leads the Italian life market, with 12.4 per cent of premium The attractiveness of the Italian insurance sector has already seen a series of takeovers in recent years so that the second biggest insurer

RAS – is now owned by Allianz Versicherung of West Germany and the fourth big-gest company – SAI – is con-trolled by Italian financier Salvatore Ligresti. The agro-industrial Ferruzzi group controls La Fondiaria, the Agnelli industrial and financial group controls Toro and the De Benedetti financial and industrial group owns Latina. The Benetton clothing and financial services group has a venture with the Italian associate of Britain's Prudential and Silvio Berlusconi, the private television magnate, controls Medi-

Slim pickings

All of this means that there are slim pickings for foreign investors wishing to buy into the Italian insurance market. Despite the growth of the market, however, its cost structure could place the Italians at a disadvantage in the 1990s when European competition gets

olanum, a fast-growing insurer.

tougher.
The problem, Randone explains, is that the structure of commissions, the cost of agents and the overheads involved in managing "a supertanker such as Generali" mean that streamlining is required. Randone's first move is to reorganise the management structure so that whereas in the past one manager might have handled all accident insurance, for both individual clients and corporate customers, product lines will now be senarated and executives will be assigned to responsibility for either individuals or companies, but not

both. It may seem an obvious distinction, but to date few Italian insurers have distinguished between different mar

There is, however, at least one uncertainty facing Ran-done and his men: for several of Generali on the Milan bourse has been frenetic and unusually high-volume. Rumours have abounded that either a Japanese insurer has been seeking to build a size-able stake or that Mediobanca and Lazard Frères, Generali's two biggest shareholders (and allies), might be seeking to reinforce their own combined 10.5 per cent holding. Randone rejects both possi-

bilities, but sources in Milan have confirmed that Japanese securities houses have been buying Generali shares and then selling to take profits. For the moment the company seems safe from a takeover not least because of the multibillion dollar cost of acquiring even a moderate minority

Generali's image, as a pillar of the private sector of Italian capitalism, as a traditionally conservative insurance group and as a company where being an executive means having a head of grey hair, undoubtedly corresponds to reality. But the Old Guard in Trieste should not be underestimated and analysts from Wall Street and London give Generali high marks as an attractive share. At the age of 77, with no

plans to retire and with a schedule that could easily fatigue a younger man, Enrico Randone appears determined to put Assicurazioni Generali through its own kind of "meta-

# Commercial reality versus government influence

Nicholas Woodsworth reports on the difficulties facing the management of Indeco, Zambia's monopoly supplier

or most of Africa, a quarter of a century's experi-ence of state-managed economies has led to a search for happier formulas for achieving national prosperity. Even in such formerly rigidly controlled economies as Tanzania's, privatisation, structural nt, and the commercialisation of production are leading to the gradual dismantling of unwieldy and inefficient state enterprises.

In one corner of the conti-nent, however, these new approaches to the problems of low productivity and capital generation have been rejected. The southern African country of Zambia, despite deepening conomic crisis and the failure of the state to provide basic consumer minimums, has chosen to reinforce its system of parastatal production.

The recent upgrading of management techniques in the publicly-owned system has had a limited positive effect. But it has also highlighted unresolvable contradictions between Zambian political expedience, which encourages parastatal operation, and economic real-ity, which inhibits it.

Since independence Zambia has relied on the export earn-ings of its vital copper industry to finance both consumer imports and domestic manufac turing. Over 70 per cent of total manufacturing GDP in Zambia is accounted for by indeco, a conglomerate of 43 companies producing almost the entire range of Zambia's industrial and consumer goods.

While high copper profits in the past allowed the state to underwrite Indeco's substantial losses, dwindling copper output has so reduced foreign exchange supplies that this is no longer possible. Indeco now has no choice

but to run its operations on a commercial basis. Yet govern-ment policy makes this extremely difficult. The oneparty state of President Kenneth Kaunda has long used heavy subsidies on consumer goods as a means of purchasing stability and support. Fear of political consequences has led it to rule out the price increases that would allow Indeco to operate efficiently.

cost price. Most Indeco items are permitted a mark-up of less than 10 per cent over production cost, giving a profit that barely allows reinvestment in raw materials, much less plant or capital equipment.

oil are all sold near or below

The policy of minimum prices is largely self-defeating. So cheap are indeco products in comparison with goods available in neighbouring countries that up to 20 per cent of production is smuggled out. Price distortions have a significant effect domestically as well. Without adequate profits, production procedures are often held up, resulting in

Profiteering and panic buying ensues, with available stocks being sold on the black market for up to four times the official price. Thus consumers end up paying high prices despite government policy, while illegal middle men pocket the profits.
Without the option of signifi-

cant price increases, Indeco has had to take drastic management measures in order to survive. No longer can it afford, in the words of one company executive, to be "the inefficient, monopolistic, lossmaking glant" it was in the

#### Expertise

Previously neglected problems of poor cost control, inad-equate accounting systems, overmanning, lack of produc-tion planning, insufficient martoo panning, insufficient mar-ket forecasting, poor plant maintenance, and lack of worker expertise and motiva-tion have all assumed critical

Management reforms, according to Graham Turvey, Indeco marketing manager, have been responsible for marked improvement in recent company operation. In the 1988 financial year, Indeco made a pre-tax profit of 403m kwacha (£23.4m), up 60 per cent over the previous year's surplus. "Each individual company

and company manager now stands or falls on performance," says Turvey. "They have become accountable and financially autonomous, and Indeco products, such as loss makers are no longer supmaize meal, sugar, and cooking ported by profit makers. Indeco has been forced to become more efficient. We now have the most sophisticated monitoring and management information system in the country.

This may be so, but the management problems faced in Zambia are hardly comparable with those found in freer mar-ket economies; the need to tread a tight line between commercial rationality and nonmarket oriented government policy has created peculiar management problems. The more challenging are:
• Chronic foreign exchange

chronic foreign exchange shortages. Indeco managers spend much of their time lobbying Ministry, Central Bank, and party officials in an attempt to gain support for foreign exchange allocations. Without these government approved dishursements, raw proved disbursements, raw materials and plant equipment cannot be bought.

• Capacity utilisation. With

out adequate foreign exchange, Indeco factories are running at an average 45 per cent of capacity. Yet overhead costs

remain constant.

• Cash flow. With minimum profit margins, there are difficulties in raising capital for new projects and keeping cash flow positive. Many Indeco companies have had to borrow heavily from commercial banks. The company owes 233m. kwacha in debt servicing alone this year.

 Distribution. The transport system in Zambia is a shamles. At any one time half of Indeco's transport fleet is inoperable because of a lack of spare parts.

• Expertise. Many of Indeco's most profitable companies are supervised by expatriate specialists. The government is now exerting pressure for the "Zambianisation" of personnel.

The long-term prospects for Indeco are not encouraging. The foreign exchange supply shows no sign of increasing. A 20 per cent devaluation has made raw material imports more expensive. The large black market continues to expand. And, most serious of all, the government has shown little sign of relaxing market controls

Only by swimming very hard upstream against these controls is Indeco managing not to

# **TECHNOLOGY**

#### speedy route to n preparation for the flo tation of shares in British Steel in November, Lon-Capel needed to keep in constant touch with one of its big the direct line institutional clients. It took just a few days to get a dedi-cated telephone line installed between their two buildings. Simple as that sounds, telephone companies regularly take 100 days or more to provide private leased lines. The speed with which the James Capel link was installed was

Della Bradshaw looks at the advantages to companies of installing optical fibre cable

Fibre takes up less space in the cable ducts than its copper counterpart and can also be used to give a wider range of services. Its very modernity adds to its reliability and quality is improved because it is

digital.

For James Capel, the higher reliability of optical fibre has been one of the main advantages of Fas. "People tend to think data is more important than voice communications than voice communications because it involves comput-ers," says Brian Stacey, man-ager of operations and commu-nications at James Capel. "But good quality voice communica-tions are very important. Peo-ple forget how sensitive they become when a voice circuit goes down. When you've got a goes down. When you've got a dealer just about to close a deal which he thinks will buy him a Porsche, he gets very upset if the phone call is cut off."

Systematic installation of systematic installation of optical fibres in the long-distance telephone network has been going on in Europe, Japan and the US since the early 1980s. But the cost of optical fibre systems has only recently fallen far enough for telephone companies to justify installing them in the local network in the local network -between the office or factory and the nearest telephone exchange - for high revenue

business customers.

The drive has been accelerated in countries such as the US and UK by the introduction of competition in telephone services, and the consequent phone companies to provide more efficient communica-

Ian Dufour, manager of access network evaluation at British Telecom (BT), acknowledges that the introduction of an all-fibre core and local net-work by its rival Mercury Com-munications spurred BT into a more rapid installation of opti-cal fibre in order to retain its blue chip customers

BT service are only using Fas for voice communications for voice communications between two defined points, the service will also be available for ordinary dial-up telephone lines in the UK at the end of 1989 or during 1990.

ther applications are also being developed to exploit Fas technology. As the configuration of the net-work can be changed through the software, so the use of the telephone lines can be changed on a daily, weekly or monthly basis.

For example, a company using 30 voice lines during the day could change them to transmit video pictures at night for a remote video security system. A group of lines normally used for ordinary telephone calls could be merged on a one-off basis to act as a video-conferencing sys-tem, transmitting voice and live pictures. (High quality video-conferencing pictures usually need a bandwidth of 2 Mbits per second - the equiva-lent of 30 ordinary telephone

In the US, the telephone companies are selling Fas cus-tomers the software and equipment so that they can reprogramme the distribution of their lines themselves. In the UK, however, BT is carrying

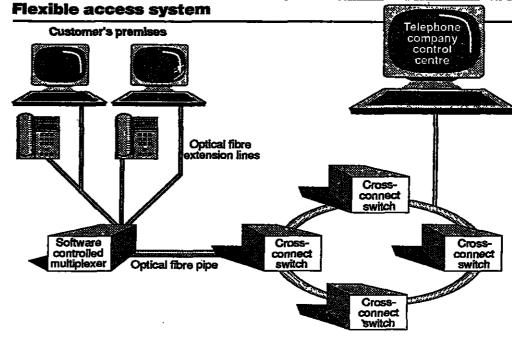
out the adaptations from its own network management cen-The idea of programmable transmission systems such as Fas began in the US, where AT&T introduced a copper-based system in 1975. AT&T is blue chip customers.

Although the dealers on the still one of the world's leading manufacturers of Fas systems.

manufacturers of Fas systems. As well as selling systems to American telephone companies, it has also won an order from France Telecom for a leased line Fas system, called Transmic, which will be in service by the end of the decade.

Two Scandinavian firms, Ericsson and Nokia, have simi-Two Scandinavian firms, Ericsson and Nokia, have similar systems. Ericsson is installing a leased line Fas system for Televerket, the Swedish telecoms authority, for service in the early 1990s. British companies STC and the joint venture GEC and Plessey Telecommunications (GPT) have supplied the Fas system for the BT network. Siemens in West Germany is also salling the STC many is also selling the STC system and will install it for the Dutch telephone company. There are about 100 compa-

nies already using the Fas net-work in the City of London. All are dealers with direct voice links to other dealers and cli-ents on the BT "dealer interlink" service. Dufour predicts that there will be about 650



customers using the service in the City by the end of next

In addition, there will be new customers in the Dock-lands area of London, where BT is planning to open a service during 1989. In the Docklands, customers will be able to use the service for ordinary telephone calls as well as for leased line calls. The City and Docklands installations have

cost BT £70m.
BT has also announced plans for a £200m extension pro-gramme to introduce the ser-vice to other important busi-ness centres, beginning with Birmingham, Manchester and Edinburgh. By the mid 1990s, about 10 per cent of all BT's exchange lines – at least 2.5m lines – will be using optical fibres rather than copper cables for their telephone ser-

Dufour believes that by that time, the service will be so widespread, companies will use the leased line optical fibre pipes as the backbone of their private telecommunications

networks.

Although the emphasis so far has been on large businesses, Peter Radley, technical director of STC Telecommunications, sees advantages in Fas for the small business customer. "Fas can be very useful in a multi-tenanted office, where different companies need different services and where there is a rapid turnover of tenants. What is a solicitor's office today could be an accountant's office tomorrow, but with Fas the service given to that business can be changed quite easily through the software - without lots of of men scurrying around the country in little yellow vans."

To guarantee the success of its "phoneline on demand" service, BT is installing more fibre lines than the customer initially requires, in order to ensure that lines can be sup-

plied as quickly as possible. Customers order the lines in chunks of 30 at a time. Stacey, of James Capel, admits that although that

gives the speed of installation it also has its drawbacks. "The cabinets take up an awful lot of space. In spite of everything you hear about optical fibre being more compact, we've paid in space terms. BT has installed equipment that could probably give us up to 480 voice telephone circuits, but at the moment we're only using 90 of them."

As with all leased line services, if enough calls are made the cost of leasing the line (and not paying individually for the calls) is cheaper than using ordinary dial-up services.
Although Fas works out slightly more expensive than traditional non-programmable

leased line services, Stacey believes that the time saved in getting lines up and working makes it worthwhile.

By Alan Cane reserves.

# Natural gas source beneath the sea

By Thomas Land

VAST quantities of natural gas trapped beneath the sea and the Arctic may soon be unlocked to provide new

energy sources.

Techniques for the recovery of gas hydrate reserves are being developed by the National Research Council (NRC) of Canada.

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Enormous pressures and low temperatures at the bottom of the sea shape water and gas molecules into gas hydrates, according to a discussion paper published by the NRC. The water molecules bond together in a network of spher-ical cages that trap neighbour-ing gas molecules, such as methane, formed from organic sediment deposited over mil-

sediment deposited over millions of years.

The Canadian scientists suggest that the hydrates may extend fossil fuel reserves for several hundred years. They also reckon that the heat needed to release the gas is little more than that needed to melt ice. melt ice.
For example, at 20 deg C the

surface water is warm enough to melt the hydrate if it can be pumped down into the hydrated zone. The gas might then be collected by some umbrella arrangement and piped or shipped to market. Some research workers blame the recurring, unex-plained disappearance of ves-sels in places like the Bernada Triangle on natural blow-outs of gas from beneath the sea. They believe that the hydrate zones act as impermeable bar-riers to underlying gas fields that accumulate where tem-peratures are too high for the

formation of gas hydrates.

If the seal cracks in an earthquake or other disturbance, free gas and quantities of decomposing hydrate rise through the water, causing surface eruptions.
Scientists from the US Geo-

logical Survey have announced the discovery of potentially large volumes of natural gas hydrates in the sediments on continental slopes beneath the oceans and in the Arctic permafrost. The Soviet Academy of Sciences estimates that the gas resource in hydrates is greater than that remaining in conventional hydrocarbon

# sion, the UK-based microelectronics company which has agreed to pay an initial £4.5m for the privately owned data communications company, Dacom, is on a course which should give it a lead-ing position among Britain's tiny band of successful personal computer manufacturers.

Best known for its Organiser, a hand-held computer which sells in the High Street as an electronic Filofax and to corporations for various applications, Psion's expertise lies in microelectronic circuitry and microcomputer software. The acquisition of Dacom gives it access to a broad range of data communications skills.

# Psion adds communications card to its pack

Such skills have become much in demand as businesses move towards decentralised and distributed data processing, concepts which demand that computing power is dispersed throughout a company but organised into networks.

An essential element of such systems is the modem, which converts computer language into signals for transmission down a telephone line. Dacom has developed sophisticated modems and counts Toshiba of Japan, Zenith Data Systems of the

US and Apricot Computers of the UK among its customers.

Psion turned over £11.8m last year and is likely to turn over about £20m in 1988 according to estimates from Chase Manhattan Equities. Dacom. founded in 1981, has revenues of \$46m for 1988. The combined group should turn over more than £30m in 1989, unless there is a downturn in the market for portable computers or data communications systems. Psion makes games and business

software, but the chief source of its

profitability is the Organiser, now being produced at the rate of 20,000 a month. About half its production goes overseas, according to founder and chairman David Potter, chiefly to Europe but also to the US where sales are just becoming profitable

after an uneven start.

Next year it intends to launch a range of products which will exploit the company's ability to make the most of limited technical resources - the Organiser, for example, uses ordinary batteries for tasks which usually need expensive high pow-ered units. It employs ingenious software techniques to cram informa-

tion into memory chips.

Its most important product launch will be of a portable, or lan-top, computer able to run for weeks on a single hattery charge. It is expected that Dacom modems will enable the portables to be built into corporate

data networks. The Organiser is already extensively used in the retail sector for stocktaking and price references, but

it is finding increasing favour in health and finance. National Westminster Bank, for example, has bought more than 1,000 of the devices to help calculate loan quotes and foreign exchange deals.

Psion's niche market is, however, already under threat from Sharp of Japan which has introduced a ver-sion of the Organiser. Potter argues that Sharp aims its product wholly at the retail sector, whereas Psion also sells to corporations. He hopes that the Sharp computer will broaden the market, rather than hurting Psion's sales.

of Quebec

- San Mar Day 1994

# Screen scene still springs surprises

Nigel Andrews reviews the cinema world in 1988 and picks his personal favourites

t is 100 years since the invention of the movie camera. It is 75 years since the first Hollywood feature film (Cecil B De Mille's The Squaw Man, 1913). It is 50 years, come Sunday, since the start of the greatest twelve-month in film entertainment history: 1939, year of Gone With The Wind, The Wizard Of Oz and a dozen glittering oth-ers. And it is 25 years since the cinema introduced us to Cine cinema introduced us to Cine-mascope and began its historic and continuing feud between big screen and small.

And still the movies march on. Surprise is the key. The year 1988 proved what film-lov-ers have known since the birth of film, that primeval dawn in

ers have known since the birth of film, that primeval dawn in which long, sprocket-holed creatures first wriggled forth from the slime of history: nothing will kill chema while it stays young and retains its power to ambush and surprise. Despite the cynicism of cinephobes and the doomy prophecies of Wardour Street soothsayers, the movies remain the sayers, the movies remain the sprightliest 100-year-old on the

Just when you thought it was safe to write off the indus-try, it has bounced back with try, it has bounced back with four successive years of rising attendances. (This year's UK admissions have gone up yet again by a couple of percentage points). And just when you thought that the art of film had become an elephants' graveyard, in which nothing new could match the moulder-ing remains of great old packy-derms (Kane, Potemkin, Napo-leon), the hour brings forth the masterwork and the magnum

I believe that Terence Davies's Distant Voices, Still Lives, a spellbinding blend of autobiography and imagination, will have a place among the immortals. And who could complain of parochialism or narrow horizons in a year when Hollywood bestowed its top. Occars on a British-protop Oscars on a British-produced historical epic directed by an Italian in China's Forbidden City? Film: The Last

Emperor.

Amid the genius and the giantism, 1988 was also an amazing year for comedy. More amazing than how much we laughed was what we laughed at. We laughed at a surreal easay on food and sex from essay on mod and sex from Japan (Juzo Itami's Tumpopo). We laughed at a tale of three wives drowning three husbands (Peter Greenaway's Drowning By Numbers). We chortied at a razor-keen expose of the cut-throat world of throat world of the cut-throat world of throat world of the cut-throat world of the cut-throat worl Broadcast News). We guffawed at John Cleese and Kevin Kline at John Clease and Revin Kins caught in the Laocoon plot coils of A Fish Called Wanda. And we giggled at two bleak, low-budget comedies of family manners from North America. Atom Egoyan's Family View-ing from Canada and Ross McKlwee's Sherman's March from the US both shredded conventional narrative to produce pixillated, semi-plotless tales based on a comedy of reaction and bewilderment.

These two films took over the cinema of the faction of the contract of the faction of

the cinema of free-floating anxiety, western world division, from Woody Allen. Allen him-self left to join the Ingmar Bergman School for the Incurably Serious. Here he made his first-year student film, Septem-ber, which for sheer enjoyment equalled a blow on the back of equancy a new this complete works of Wittgenstein. Some critics, though, believe that this film was a practical joke and that Allen is now laughing all the way to the tax write-off





Top, Distant Voices, Still Lives, directed by Terence Davies and destined to become a classic. Above, sex and sushi in the Japanese comedy Tampopo, by Juzo Itami. Right, Jamie Lee Curtis gets to grips with John Cleese in A Fish Called Wanda

There were other films which, though eagerly awaited, smartly wiped the smiles off our faces. Jean-Luc Godard's King Lear had Shakespeare spinning so fast in his grave that it was removed the deed that it was runoured the dead Bard had opened up a new coal-face under Stratford's Trinity Church. Sammy And Rosie Get Laid, from the Rosie Get Laid, from the Frears-Kureishi team which brought us My Becutiful Laundrette, was two hours of empurpled radical cheek. And Clint Eastwood's Bird brought to mind the famous Shelley poem — "Bird thou never wert" — as it deposited Charlie Parker in the Intensive Bio-pic Ward. Here famous artists are subjected to light-deprivation and andiences to joy and laughter

The end of the year is also a time when arts page editors demand a word or two about "trends." Despite assuring your editor that trends are things one can usually detect only 20 to 100 years after the event, the critic gamely sets his trend-detector in motion. If I were a film scholar looking back from the year 2100, I might see the most notable ruck contributed by 1988 to the carpet of film history as the concern with innocence. "baby boom" movies of 1987 have been followed this year by films tinkering with

to re-cast the story of Christ by replacing what the film-maker deemed "false" innocence (that of a fortified and infallible holiness) with "real" innocence (that of a vulnerable and searching humanity).
The roots of this fascination

The roots of this fascination with the meaning of innocence are puzzling and intriguing. Parochially, the US has perhaps been enjoying its last year as a fools' paradise, or fools' kindergarten, under that lovable old poppa, R. Reagan. On a more global level, the concern with innocence is

My top ten films of the year,

Distant Voices, Still Lives, The Time To Live And The Time To Die, Sherman's March, Family Viewing, Tampopo, A Fish Called Wanda, Cobra Verde, Broadcast News, Law Of Desire,

surely a result of the modern developed world being forced - after long reluctance - to reach out to the undeveloped world: and in doing so to change its own vision of Third World people from convenient year by films tinkering with age exchange (Big, Vice Versa, Like Father Like Son), with family growing pains (Distant Voices, Still Lives, A World Apart) and with child's-eye views of history (Empire Of The Sun, The Last Emperor). We even had an attempt, in the year's hot potato, Scorsese's The Last Temptation Of Christ,

Someone To Watch

Over Me.



colonial impulse into a bubbl-ing vat of black comedy and waits to see what casserole results. (Very tasty and rum-bustious, I thought, though many did not). And even a movie such as Good Morning Vietnam sets out to re-examine the roles of friend and foe, "colonist" and "colonised," in an American war the wounds of which are now healed enough

to allow a little comedy.
In a world fast-shrinking as communications grow and continents shake hands across oceans, the most important problem facing the cinema in 1999 and the 1990s will be how to "de-nationalise" itself. How to make the spreading lauguage of moving pictures, beamed out at us today not just from the big screen but from video, cable and satellite, ever more communicative, ever more global.

The too easy temptation, especially in Europe, is to opt for the co-production: to create those ghastly disembodied works, full of dubbed actors and polyfilla dialogue, that resemble TV mini-series scripted in Esperanto. Far better to learn from America's new trend for giving different races and ethnic minorities a strong cinematic voice (see the

growing Hispanic voice in films like *The Milogro Bean-*field War, Colors and Stand And Deliver) and to realise that different cultures are to be cherished not sacrificed to a

This year, unexpected countries across the world have raised their hands from the back of the class and asked to be noticed: Souleymane Cisse's luminous Yeelen from Mali, Gabriel Axel's delicate Babette's Feast from Denmark, Czech animator Jan Svankmajer's funny-macabre version of Lewis Carroll's Alice, Pedro Almodovar's gaily seditions Law Of Desire from Spain and Hou Hsiao-Hsien's majestic The Time To Live And The Time To Die from Taiwan. If you see any of these titles on a marquee near you in 1989, rush straight into the cinema.

Meanwhile, Hollywood the entertainment factory has con-tinued to throb and hum. What filmgoer could fail to find filingoer could fail to find something to like in one or all of the following? Moonstruck, Fatal Attraction, Someone To Watch Over Me, Big, Who Framed Roger Rabbit. All told, 1988 is gone but not forgotten. Long live 1989 and may it travers as sworth remembering. prove as worth remembering.

Music: FT critics assess the year

# Planning leads to a series of successes

Birtwistle, Haydn and Mendels-sohn, Messiaen, Reich and Schoenberg and Schubert, not forgetting Shostakovich; anyone who has attended orches-tral concerts in London this year without encountering at least one of those composers has chosen very carefully indeed. Thematic planning has ruled unwaveringly, and though there is no doubt that the South Bank Board's rod of iron has renovated the pro-gramming in its concert halls gramming in its concert haus to a significant extent — com-pare the variety and quality in 1983 to, say, 1985 and 1986 — the autumn has been suffo-cated in series. The successful events, in the

second half of the year at least, have been the complete Shosta-kovich symphonies which have been shared by Ashkenazy and the RPO and Rostropovich and the LSO, and Georg Solti's the LSO, and Georg Soiti's short Bartok season with the LPO. The former provided the opportunity to hear those works in the canon that seldom reach the concert hall, and it was astonishing to see capacity audiences at the Festival Hall and the Barbican for both the popular symphonics and rarities such as the Third both the popular symphonies and rarities such as the Third and Eleventh. Solti's celebra-tion of his compatriot made no pretence of comprehensive-ness, but it did bring conduct-ing and playing of singular electricity — one remembers especially the First Plano Con-certs with Zoltan Rossis and certo with Zoltan Rocsis and Bluebeard's Castle with Aage

Haugland and Klara Takaca. The South Bank's Schoen-berg tribute, "The Reluctant Revolutionary," arrived with earnestness stamped all over it. It was in the end just too diffuse — too many disparate events had to be brought under its umbrella over too long a period, and the fierce crusad-ing zeal that characterised some of the shorter series could not be sustained. In its early days, though, it did pro-duce a vivid concert perfor-mance of Moses und Aron con-ducted by John Pritchard, in which genuine theatricality was generated most convinc-ingly, no mean achievement in

The Proms also sported a theme, but one - literature - broad enough to allow the spread of programming that such a substantial run of con-certs requires. Certainly it gen-

this year, but a few pieces stand out in the memory. A

Lontano concert in January

introduced a lovely French

soprano, Edwige Bourdy, with

seprano, Edwige Bourdy, with three strings in the Quatur II of Beisy Jolas, whose previous status as a Boulez protégée is now obsolete: the assured orig-inal subtleties of her vocal writing make her forthcoming opera a delectable prospect

(adventurous companies

please note). In February Jo Kondo's Res sonorae for the

London Sinfonietta suggested

an exciting potential too.
In March, Rozhdestvensky conducted the BBC Symphony

in Sofia Gubaidulina's 1986

Symphony "Stimmen . . . ver-stummen . . .," which like most of her best work seems to

rediscover music through returning to its simplest ele-ments. At a St. John's BBC

lunchtime concert György Pauk and Ralf Gothoni intro-

rank ann hair Gomoni mitto-duced one of Lutoslawki's most recent virtuose construc-tions, his gleaming Partita for violin and piano; and in April



Georg Sotti: a brave if brief Bartók season with the LPO

lights – the semi-staging of Debussy's *Pelléas et Mélisande* conducted by John Eliot Gardiner with a cast led by Diana Montague and François Le Roux; Mahler's Das Lied von

Roux; Mahler's Das Lied von der Erde conducted by Kurt Sanderling with the BBC Philharmonic, and Bernstein's Songfest, exuberantly conducted by the composer.

Among the new works at the Proms three stood out. The jaggedly obsessive Chevaux-de-frise by the Irish composer Gerald Barry at last brought his highly distinctive music to a wider audience, while Trevor Wishart's Vox VI completed a cycle of pieces for completed a cycle of pieces for the extended vocal techniques of Electric Phoenix with an exuberant celebration of rock and rap styles. Michael Fin-nissy's *Red Earth* proved to be a subdued, somewhat forbid-ding orchestral evocation of the Australian landscape, in which his familiar spiderish polyphony seemed to be min-ing a new expressive vein.

In the rest of the year memorable new music seemed rare. The Huddersfield Festival in its tenth year celebrated Stock-hausen's 60th birthday with a visit from the composer's own performing troupe and organ-ised the first British perfor-mance of his "park music" Sternklung, domesticated in a sports hall in deference to the Yorkshire November weather. One of the London Sinfoniet-ta's "Response" weekends brought the British premiere of

noles did as much for his cel

notes did as much for his cel-lo-and-piano Grave in six char-acteristically dense and suggestive minutes. Simon Rattle got his CBSO to play Webern's op. 6 pieces radi-antly, and Pauk reappeared with them in a sober but overtilly nigrating accounts of

exactly piercing account of

Berg's violin concerto.

May boasted another Sinfo-

nietta concert with revela-

Heinz Holliger's Scardanelli Cycle, built around Hölderlin's Cycle, built around Holderin's life and poetry – thin enough to suggest that as a composer Holliger has latterly lost his way. Undoubtedly the most exciting introductions have come from the Dane Poul Ruders, whose substantial output is gradually being heard here. The highpoint was the first performance here of his largescale orchestral work Manhat tan Abstraction, unstoppably energetic and clean cut — no new-music novelty this year

The old-music revelation was the Early Music Project's "Ber-lioz Experience," a weekend-long focus upon period-instrulong focus upon period-instru-ment performances of a com-poser previously considered outside the gambit of the authenticity movement. The performances of the Symphonie fantastique and Roméo et Juliette conducted by Roger Norrington with forces scaled to those of Berlioz's time only increased respect for his aural increased respect for his aural imagination; certainly both works emerged with greater presence and textural precision than in any modernised

If such experiments extend the boundaries of authenticity, in what remains its core repertory period-instrument orches tras prospered as never before. Though the cross-over of instrumentalists between the London-based groups often suggested the same core of players appearing under a variety of labels, the Orchestra of the Age of Enlightenment proved the most versatile of these manifestations, in music ranging from Bach to Mendels-sohn and Weber, while John Eliot Gardiner conducted an immaculately sung and played account of the St Matthew Passion with the English Baroque Soloists.

But it was left to an overdue return visit from the Amsterdam-based Orchestra of the 18th Century under Frans Brüggen to define the current state of the art for period orchestras, combining transcendent virtuosity with absolute musical sense Brüggen; lute musical sense. Brüggen's view of Beethoven's Seventh Symphony, delivered at a cracking pace and bursting with dramatic tension, will remain in the memory for a

**Andrew Clements** 



oratorio; nor, without the LPO/Solti Bartok series, the extraordinary Cantata Pro-

fana. Two new octogenarians were honoured: in future ret-

rospect, I fancy, the lavishness

of the Messiaen celebrations will contrast quaintly with the thrifty (though intensive) trib-ntes to Elliott Carter, but I may be wrong.

tions. Szymanowski's cycle Songs of a Fairy Princess is not really neglected, but it was marvellously recreated by the soprano Rileen Hulse, as was Michael Tilson Thomas: an soprano kileen huise, as was his richer but quite unknown op. 46 set *Slopieumie* (with chamber orchestra), a discov-ery which must not be allowed of "theme" concerts, has pro to lapse into obscurity. There was a bonus in an elegantly clever Triple Sextet by György Urbán, who deserves following liferated. Presumably it sells more tickets, or is meant to; from the interested consumer's from the interested consumer's point of view, it has the virtues of bringing specialist interpreters for special music, and of providing reasons for programming works that never figure in the ordinary repertoire. Without the South Bank's Schoenberg festival the Arditti might still have np. In another concert Gidon Kremer, supported by Nagano and the LSO, made the most of the passionate ambiguities of Schuittke's Fourth Violin Con-During the Almeida Festival (June/July) Schnittke's Rus-sian Orthodox vein — a crucial Arditti might still have decided to give us their splendid conspectus of his quartets, but we might not have had the inspired BBC/Dohnányi resuscitation of his Jacob's Ladder oratorio: nor without the

factor in his musical makeu - was exposed in his 1976 Der Sonnengesang and his recent Concerto for chorus by James Wood's New London group. As usual, the Almeida offered extravagant riches: among them Colin Mathews' masterly new Two Part Invention, and a brilliantly popular Piano Con-certo (soloist Yvar Mikhashoff) by Stephen Montague, both played by Richard Bernas and his Music Projects ensemble, and György Kurtág's extended Kafku Fragments for soprano and violin (Adrienne Csengery and András Keller), and the Arditti performances of three mocking quartet-studies by Mauricio Kagel as well as Brian Ferneyhough's deadly serious, wilfully complicated

new Third Quartet.

At the Edinburgh Festival the hottest tickets were those for the Shostakovich Quartet's magnificent cycle of their name composer's works in the medium. From this year's Proms I remember Bruckner's Fourth Symphony as superbly laid out by Skrowaczewski and his revitalised Hallé Orchestra — which is not to suggest that Zubin Mehta and the New York Philharmonic did anything less than beautiful justice to that work at the Barbican a couple of weeks earlier. On their heels came Michael Tilson Thomas and the London Symphony (their official first appearance together, as the American conductor took up his new LSO contract) with a Mahler Ninth of keen penetration and expertise. The mini-festival, or series

may be wrong.
Some other grateful recollections, culled almost at random. A Schumann Liederabend by the tenor Josef Protschka at Bregenz (I fear it may already be too late to find tickets for his January debut at the Wigmore), not to mention Fischer-Dieskau's on the South Bank; an electrifying Barbican recital by Kremer and Martha Argerich in February; Barry Tuckwell's revival of the delightful horn concerto Then Musgrave composed for him in 1971. Among several distinguished accounts of reperiory staples, Haydn's "Nelson" Mass by Franz Welser-Möst stood out; and Kurt Masur's Beethoven "Pastoral," and Günter Wand's greet Mosard O Günter Wand's great Mozart G minor Symphony, and Maria Ewing in Ravel's Shéhérazade songs, and the veteran soprano Mady Mesplé in her entire Wigmore recital. The young Carmina Quartet con-firmed their remarkable gromise, and the young Vogler Quartet turned up as formide. ble competitors.

David Murray

# Travelling on Business in France?

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**FINANCIAL TIMES** 

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Friday December 30 1988

# Why training needs a lift

THE GOVERNMENT will have to do more than launch a £4m advertising campaign if it is to persuade large companies to take part in its Employment Training programme for the long-term unemployed.

The initiative launched yesterday by Mr Norman Fowler. the Employment Secretary, fol-lows a sustained publicity drive aimed at employers when Employment Training came into operation in September. Many large employers are

proving reluctant to become involved – but not simply out of ignorance of the benefits claimed for the scheme. The Government will have to overcome a far more deep-seated wariness if its plans are to suc-

About 106,000 people have started training on the £1.5bn a year programme, which is intended to offer an average of six month's training to 600,000 long-term unemployed adults a year. The scheme offers a mix of off-the-job training and work experience with companies Getting more large employers to offer work experience placements will be vital if the

programme is to meet its tar-Union opposition to the Union opposition to the scheme has undoubtedly discouraged some large manufacturing companies from participating. But the TUC has recently significantly softened its stance by urging unions to boycott the scheme only as a last resort.

#### Cautious attitude

The most important explanation for the cautious attitude of large companies is that Employment Training does not complement their recruitment and training plans.

In the service sector, retailers, hotels and catering companies traditionally recruit large numbers of part-time women workers for their basic jobs, rather than young, long-term unemployed men in search of full-time work. Jobs in the customer service sector are becoming more highly skilled, demanding extensive product knowledge. In manufacturing, companies are still shedding labour, especially semi-skilled manual workers.

Many companies suffering from skill shortages, or plan-

ning to upgrade their work-force's skills with the introduction of new technology, prefer to recruit young people, retrain their own staff or take on experienced skilled workers from their rivals.

Moreover, some of the companies involved in the scheme believe it is simply not attract-

Sir Robert McAlpine, the construction company, is considering curtailing its involvement in ET on the view that trainees are not attracted by the weekly allowance, which is worth about £11 a week more than social security benefits. Of the 3,271 places offered by IBM, Wimpey, John Laing and Imperial Chemical Industries, only 853 have been filled.

#### High costs

Providing work experience placements can be expensive. Companies are being asked to pay £5 a day per trainee, on top of the costs of the extra supervision and administration which is required.

To cut through these concerns, the Government will have to use both blades of the scissors. Employment Training must be tailored to ensure that training initiatives are more training initiatives are more clearly linked at an early stage to local investment decisions.

Local employers could be encouraged to form compacts with the long-term unemployed in their area, at least to put ET trainees on a stand-by list for jobs if they gain vocational qualifications through their qualifications through their training. Trainees could use

tus as a form of reference when applying for jobs with other companies.

But perhaps most important of all, the quality of training provided on ET needs to be improved and the scope artended Mars resources will extended. More resources will be required, and they should be viewed in part as the prop-erty of the unemployed them-

their stand-by employment sta-

Where companies are unwilling or unable to use the funds, they should be made available directly to the unemployed to secure training for themselves. ET will only succeed in introducing large numbers of long-term unemployed to employers if it also provides them with worthwhile skills.

# The gambling mentality

IT HAS ALWAYS been axiomatic in banking and finance that higher standards of managerial prudence are called for than in industry.
That is a price that has to be paid for persuading people to remove their money from the mattress and entrust it to bankers and brokers - or that, at least, is how it used to be at least, is now it used to be perceived. Today there are signs that the appetite for risk in the financial community has been increasing. Does this mean that the ground rules of finance are undergoing an

important change?
Certainly there has been no shortage of headlines about lapses in financial control. In 1987, both commercial and investment bankers were in the limelight because of their exposure to issues such as the BP share sale and the Blue Arrow rights call at the time of the October stock market

Now it is the turn of the US regional banks. Before Christmas the Minneapolis-based First Bank System revealed losses of \$\%\dot{h}\dot{h}\dot{n}\dot while First Fidelity Bancorp of New Jersey announced large real estate losses at the recently acquired Philadelphia bank, Fidelcor.

# Nasty upsets

The excesses displayed by US savings and loan institutions, the "thrifts", are becoming a matter of increasing concern in Washington. And there is a general fear that the leveraged buy-out (LBO) business in the US could produce a crop of nasty upsets in the not too distant future.

Taken case by case this scarcely looks unusual. But there is, cumulatively, rather more trouble about than might be expected at this point in an unusually long-lived economic recovery. This can largely be rationalised by regulatory change.

The thrifts, with their dash for high-risk real estate assets to compensate for past losses, are a clear case in point. Yet the same process is now apparent in US commercial banking, where some participants, First Fidelity among them, have seized the opportunity presented by the erosion of interstate banking regulations with a conspicuous lack of caution. The problem has been compounded for the banks by the loss of large comporate clients.

loss of large corporate clients to the markets. This leaves a gap in profits from wholesale business that many have sought to fill through active dealing in bonds or in the dealing in bonds or in the international equity market in London, where there is no legal dividing line between legal dividing time perween banks and securities firms. For their part, securities houses in post-Big Bang London are increasingly dependent on profits generated from trading for their own account.

### Bankerly excess

If this amounts to a departure from risk-averse financial habits, it would hardly be sur-prising. The most spectacular recent example of bankerly excess relates to Third World debt, where scarcely any of those responsible have been brought to book.

The US deposit insurance system is another inducement to excessive risk taking. And there is a view among bankers that, having lost money on countless "safe" bets — oil, sovereign debt, real estate they might as well accept that all assets are risky and seek to extract a high price to compen-sate while taking comfort from their ability to sell loans in sec-ondary provided. ondary markets.

The trouble is that in the heat of the moment the temp-tation of over-exposure to a single class of risk can prove overwhelming. And secondary markets have a nasty way of drying up at the first hint of

In the absence of greater in the absence of greater financial and human resources being devoted to bank regulation, especially in the US, bigger accidents are inevitable as bank management confronts the huge challenge of deregulation. And in view of the internationalization of the securi nationalisation of the securities markets, there is an urgent need for a more effective international dimension to the regu-latory thrust.

# Terry Dodsworth talks to GEC's head about his strategy for the company

# Weinstock builds a Euro-future

ord Weinstock, the 64-year-old managing director of the General Electric Company, has taken what he describes as a hammering from his critics over the last few years. But he has lost none of his capacity for verbal com-bat. In his sixth-floor office just off Hyde Park Corner, London, sur-rounded by paintings of his champion racehorses, he contends that the two sweeping international takeover proposals that have stunned the City in the last six weeks should have surprised no one.

GEC, he says, has been talking about such joint venture transactions since he had talks with AEG of West Germany eight years ago. Even before that he had contacts with Olivetti, and he has been floating the idea of de-mergers for several years. The two latest deals – the proposed takeover of Plessey in combination with Siemens, the West German electronics group, and the merger of the group's power engineering division with Alsthom of France — are a logical extension of these projects.

"Everywhere in Europe companies are giving up sovereignty because of the costs involved in research and development. The extent and speed of technological changes are such that no one thinks he is capable of doing it all on his own."

Lord Weinstock's complaints of being perennially misunderstood will surprise no one who has been exposed to his forceful view of Europe's industrial structure.

For more than 20 years, he has sat For more than 20 years, he has sat at the pinnacle of one of the region's largest manufacturing enterprises. From this vantage point he has brought about a sweeping reconstruc-tion of the UK electrical and electron-ics industry. But increasingly he has been forced to look beyond the shores of "Little Britain," as he calls it, to plot the future of the group.

of "Little Britain," as he calls it, to plot the future of the group.

Hence GEC's strategy in the last few years, he claims, has been directed towards finding ways of breaking out of the landlocked UK market to establish the group on a broader international base. Five years ago, the projects which GEC has now launched would have been impossible. But the combination of technological But the combination of technological change and Europe's moves to lower its internal trading barriers by 1992 has provided a powerful stimulant to

industrial collaboration.

"Nothing new has happened except that this time these joint projects work. 1992 has changed things. People have woken up." But why have GEC's critics not taken aboard his long-term strategy

for the group? The company's share price has been under pressure since the early 1980s, underperforming the stock market indices for much of the time. Profits growth has been disappointing, and the group has been subject to a swirl of rumours about potential takeover hids

ject to a swirl of rumours about potential takeover hids.

Lord Weinstock's response goes something like this. The large European companies in the electrical and electronic industries, he argues, have grown up in national markets which are being made irrelevant by changes in politics and technology. And although these companies have developed international operations, they suffer from the absence of the large from the absence of the large domestic industrial bases enjoyed by their US and Japanese competitors.

"The US is an indigenous market of 250m people with common standards; in Japan we have 120m people living in a tribal society, with close connec-

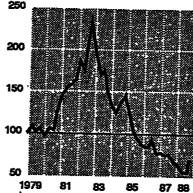


tions between government and the industrial organisations, and where the financial institutions do not place much of a burden on industrial managers' shoulders."

At the same time, GEC's strategy

for growth, he believes, has been thwarted by a series of misunder-standings and misfortunes. The company, he says, was hit very hard by the cancellation of the Nimrod early warning aircraft project. Internationally, the decision to give the contract to Bosing of the US seemed to indicate that GEC had lost the confidence

Share price relative to the FT-A All-Share index



of the UK Government and it shook the group's self-confidence. Then there was the "bruising, frontal public relations assault made on us by Plessey" at the time of GEC's last bid for the company in 1985. These setbacks, and particularly

the rejection of the last Plessey bid by the Monopolies Commission, explain why, in Lord Weinstock's view, the company has not been able to lift itself into a new era of growth. The offer for Piessey, he argues, was the first step in the strategy of

international expansion which made sense for both companies, for the UK, and for the development of European industry. The proposed addition of Plessey to GEC was not designed simply as a domestic industrial rationalisation in the ITE It was given also at ation in the UK. It was aimed also at giving GEC the sort of structure that would make it easier to push through international collaboration agree-

Here we come to the second point in his grand canvas. Europe, he argues, is not ready for large-scale acquisitions that will reconstruct its industry in the way that his own daring series of takeovers was able to achieve in the UK's electrical industry

The Continent is peopled by large companies which will cling to their independence, that are relatively invulnerable to takeovers, and which are frequently larger than GEC. Given this situation, one of the great irrele-vancies talked about GEC, he says, is its so-called cash mountain. "You cannot go out with £1.5bn and buy a company of the order of magnitude that we need to make any change in the status quo . . . So you have the option of adding bits piecemeal, or doing something bolder. And that means coming to arrangements."

These arrangements - a variety of mergers, joint ventures, co-operative deals, research collaborations and so on - are easier, Lord Weinstock argues, when you have the clout to deliver something to your potential partners. Hence his bitterness over the last rejection of the Plessey deal, which would have created a telecommunications group in particular that munications group in particular that would have attracted GEC's European

There is no future for the Plessey company as it is - piecemeal bitsand-pieces acquisitions are not going to save it. I find it disappointing that, whether because of personality prob-lems, or pride, or ancient history, Plessey will not even contemplate

looking at things in a sensible way. It was only after the last bid that we got to deal with the glaringly obvious necessity of putting together the telecommunications busines

But if GEC and Siemens now pull off their joint bid for Plessey, this would only be the first step out of the cul de sac in which the company has found itself in the last few years. How

clear are the next moves?
First of all, says Lord Weinstock, there could be a number of deals like the ones with Siemens and Alsthom. In the Siemens case, the two partners are combining to acquire Plessey in a move that will give each company a larger production base, but allow both to retain control over their businesses. Implicit in the transaction is much wider technological co-opera-tion, but Siemens will still wholly own its own telecommunications division, and GEC will retain total control of Marconi, its defence electronics business. The UK telecommunications operation, majority-owned by GEC, will benefit from Siemens's technological input. "Everyone thought when the Ples-

sey deal was announced that we would fall in the end under Siemens's domination. That was not at all the intention. We shall go with Siemens as far as we can because we think they are good partners." The agreement with Alsthom, on the other hand, is a full-blooded

merger into which GEC has injected almost a quarter of its assets. Both parties have had to give up the "absolute right to do exactly as we want." Whatever the differences between the deals, however, they both imply a radically different way of running GEC long-term. How will manage ment control be exercised? How will GEC, a company notoriously keen on tight financial controls exercised through a small headquarters staff. accept a more complex web of rela-tionships? Will the group be able to maintain its financial returns, relatively high by the standards of its Continental partners? Lord Weinstock concedes that these

joint venture companies will be extremely difficult to run unless there is a strong degree of sympathy between the partners. But the com-mon objectives of the co-owners, he believes, should help to iron out problems; and he has refused to allow any sort of break-up agreement in the merger contract with Alsthom on the grounds that companies should not enter marriage thinking of divorce.

At Alsthom, he says, GEC has nom-inated Mr Jean Pierre Desgeorges as chief executive "because the company has to have a boss. But I shall get monthly reports in the same way as I do now from the operating centres . . . If the personal chemistry is right, we shall get the necessary degree of efficiency. But we shall not tolerate inefficiency in this organisation any more than we do now . . . And I can assume that my counterpart has the same objectives."

At the same time, he expects the financial returns of the combined groups to go up. Indeed, it is thought that one of the attractions of GEC to its new Continental partners may be the fact that it achieves consistently higher profits than they have done in the past - returns that may also be helped by economies of scale.

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There is no longer that strong line which says that the managing direc-tor of power systems does exactly what he likes. He has a partner. From the point of view of quick action, that is not the ideal form of organisation, but it is the best available to meet the circumstances."

In the case of the proposed Plessey transaction, Lord Weinstock admits that the agreement is less than ideal from either the managerial or finan-cial point of view. To meet the objections possed two years ago by the Monopolies Commission, GEC's par-ticipation in the Plessey defence business will be on an arms-length basis. unless changes "are accepted by the authorities."

Nevertheless, "the basic thing that reduces prices" in a market where there is not a multiplicity of buyers and sellers, he argues, is a lowering of costs. "And in Piessey we shall reduce costs because we shall work together in technological fields. We would have liked to integrate them, but we may not be allowed to do that." Quite probably, these types of joint

venture arrangements may in any case be only an interim stage towards a more radical reorganisation of the European industry. Once companies have learned to work together, penetrating each other's markets more, and seeing strengths and weakness in their product lines, they may be ready to do deals that begin to streamline Europe's large conglomerates into companies with specialised product lines that are marketed across all the region's boundaries.

Lord Weinstock will only hint at these sorts of possibilities, but they have clearly been talked about in the company's headquarters and may one day lead to a very different structure for the group.

We may now start buying and selling companies in terms of exchanges," he says. "Maybe we are going to say to Snooks: You have ambitions to be higger in this, in which we are not very interested. But we would like to have that, in which we are not you interested. So we would like to have that, in which we would like to have that, in which you are not so interested. So can we arrange some sort of swap?"

# George for Deputy

■ The word is out that Sir George Blunden, the silverhaired Deputy Governor of the Bank of England, will leave his post for his second shot at retirement shortly.
Blunden, who turns 66

tomorrow, was brought back from retirement as Deputy
Governor in January 1986 and
has intimated that he will go
sooner than he needs to. His
term lasts until December 1990, but the suggestion is that he might move as early as mid-1989. The man most likely to suc-

ceed him is Eddie George, currently the Bank's executive director for policy and markets. George, now 50, is gractious as well as tough: the confidant of the Prime Minister and the man who helped put lead into Robin Leigh-Pemberton's pistol.

George made his name in the Bank as secretary to the 1972 Morse Committee, set up by the Group of 20 under the auspices of the IMF to think about the world after the collapse of Bretton Woods in 1971. He became assistant to the overseas department (1974). rently the Bank's executive

overseas department (1974), deputy chief cashier (1977), an assistant director (1980) and an executive director (1982). During the 1980s George

established his supremacy over the Bank's management of the markets in London, extending his control to the foreign exchange markets in 1986, the year he was re-appointed as an executive director. If he becomes Deputy Gover-nor, what could be the last

opening for an executive directorship of consequence for many years will be up for grabs. There are five candidates, four of whom come from George's present division: the other is Tony Coleby (53), the slightly donnish chief monetary adviser to the Governor. The four from George's lot who, because of the relative youth, might be known as the brat pack, are: Bill Allen (39), head of the money market divi-

# **OBSERVER**

sion; Michael Foot (42), head of the foreign exchange divi-sion; Ian Plenderleith (45), head of the gill-edged division and an assistant director; and John Townend (41), head of John Townend (41), head of the wholesale markets supervi-

# Monnet money \*

■ There is more to the Foreign French post-graduates to Brit-ish universities than meets the eye. The idea is that if the four year trial with the French is successful, scholarships will be offered to the rest of the European Community as well.
The awards are called Jean
Monnet Scholarships, after
the French founding father
of the EC. Initially there will be about a dozen a year open to French specialists in busi-ness, finance or administration who want to spend a few months at a British university

or institute. Funds have been put up by the Foreign Office and a number of British banks: NatWest, S.G. Warburg Group, Lazard Brothers, Hambros, Kleinwort Benson and the Midland Group. The sum involved is only £50,000 a year for four years, when the scheme will be reviewed.

Late French candidates still have just about time to approach the British Council in Paris. Meanwhile there is something pleasingly ironic about Britain giving scholar-ships to Europe in the name of Monnet.

# Irish meat

Larry Goodman, the Irish meat baron apparently sharp-ening his cleaver over Unigate, is well known for his aversion to being well-known. Yet he did agree to meet journalists in June last year after the Irish



"Sell 1988"

Republic's Industrial Development Authority (IDA) poured If 30m into a If 260m project by his private company, Good-man International, to expand its Irish meat processing capacity.
The IDA was under pressure

from Charles Haughey's Fianna Fail Government to put up the funds, one of its biggest ever investments. But not everybody was so keen on so much taxpayer's money being funnelled into an intensely private company only a week after the IDA had suffered the embarrassment of the collapse of a I£ 21m investment in Hyster, the US lift truck maker.

John Bruton, the former Fine Gael finance minister and then opposition industry spokesman, said as much on Irish Radio. At the subsequent Irish Radio. At the subsequent press conference to announce the investment, Goodman launched a scathing attack on Bruton that ended only when an uncomfortable Haughey, chairing the confer-ence, leant across and spoke into his ear.

Hanghey's smile remained fixed as Goodman turned his attention on journalists asking why he could not have raised the money from private sources such as the Dublin Stock Market. There was no need to when the money was readily available elsewhere, was the reply.

### Some awards

■ The man of the year — in British terms - seems to me to have been Lord Mackay of Clashfern. Lord Hailsham may have been an engaging and clever fellow, but he had been around too long and was too identified with the Tory Party to be regarded as a wise Lord Chancellor Mackay in and college. Chancellor. Mackay is not only independent; he looks it. He is also a reformer at a time when reform of the legal pro-fession and the law's delays must be one of the most press ing items on the country's

The new British problem of the year - apart from the blips in the economy - was Scotland. It is not true that if the Scots become richer, they become happier with their political lot. Old discontents re-emerge. The Scots turned on the Tories in the last general election and are now turning on Labour. They feel remote from London. A wise Government would again be thinking about devolution.

And one of the undiluted pleasures of the year was the seemingly endless stream of good movies from Hollywood: Good Morning Vietnam, Big Business and Big, to name but a few. How can anyone be anti-American when they produce such gems of profession-

# French charm

■ A Frenchman arrived at Dover determined to show off his English. He went into a restaurant and called for a bloody steak. "And would you like," said the waiter sweetly,
"some f . . . potatoes to go

# DSL Bank

Deutsche Siedlungs- und Landesrentenbank

US \$ 110.000.000 7,5 per cent, bonds due 1996 DSL Bank Deutsche Siedlungs- und Landesrentenbank ("DSL Bank") hereby gives notice that its wholly-owned subsidiary DSL Bank Luxembourg Société Anonyme 208, Val des Bons Malades L-2121 Luxembourg ("DSL Bank Luxembourg")

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# David Buchan assesses the EC's efforts to get to grips with the future

This was the first year in which it came to seem possi-ble that the European Community might actually achieve its goal of becoming a single market by the early 1990s – albeit an imperfect market and one which, ironically, would permit freer movement of goods, services and money than of

people.

Precisely because of this, it was also a year in which Europe's visionaries began to dream again of further horizons. For Mr Jacques Delors, the European Commission president, and for some leaders of the Community's 12 member states, vistas began to open up of a new social and monetary order in Europe that would coshion workers assing that would coshion workers against the impact of growing business competition and would give the Community, with its 12 national currencies, greater monetary stability.

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For others - Mrs Margaret Thatcher, notably - such vistas were at best a mirage and at worst a nightat dest a mirage and at worst a night-mare. In her now-famous Bruges speech in September, she railed against the prospect of "a European superstate exercising a new domi-nance from Brussels," a prospect made the more real for her by talk of a European central bank and her lead a European central bank and by plans to harmonise taxes and to spread worker participation around Europe.
What was billed, by everyone including Mrs Thatcher, as a water-

shed for the Community was last February's reform of farm expenditure, the cause of persistent EC budget over-spending. The twin decisions to put a lid on farm spending and to increase substantially the overall budget - freed new resources, mainly for structural aid to poorer rural and industrial areas, but also for hi-tech research and development.

This one unquestioned success in reining in the Common Agricultural Policy (CAP) may prove illusory, however. True, for the first time in Community history the 1989 EC budget will cut form conding in absolute. will cut farm spending in absolute terms. But cyclical factors - such as the US summer drought, which drove up world food prices and thus sharply reduced EC export subsidies — were largely responsible. The jury is still out on whether the Community's price "stabilisers" will really stabilise EC output in the future.

But the February agreement had the merit of ending haggling about money. It paved the way for the smoothest passage of a budget (for 1989) for many a long year, clearing the Community agenda for something with little direct costs. with little direct cost - internal mar-

ket deregulation. Progress has been remarkably rapid, started, in the first half of the year, by a successful German presi-dency. The surprise of the second half of the year was the late rush of internal market agreements achieved by the Greek presidency, with much credit due to Ms Vasso Papandreou, the industry minister, now about to take office as an EC Commissioner.



Meant to become a thing of the past: EC grain surpluses

# Irreversible steps to a new Community

nary or final agreement by member states on 135 measures out of the Commission's 279-point plan for a single market by 1992. Back in June, at their Hanover summit, EC leaders formally declared the single market plan to be irreversible. Is it indeed? Yes, if saying so could make it so.

saying so could make it so.

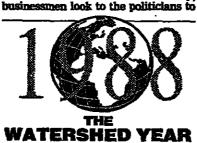
Certainly, it is now unlikely that member states will renege on the vast majority of the 135 measures they have agreed. This is not such an unreal danger, given the lip service alone which many governments in the 1970s and early 1980s paid to Community accords and given the poor munity accords and given the poor implementation record of countries like Italy and Greece. Backsliding by a country like France on a key commitment - such as its legal undertak-ing to join in the general freeing of all capital flows by mid-1990 - remains a

worrying possibility.

And movement is by no means inexorable towards agreement on all 279 Commission proposals by midnight on December 31, 1992. The hardest issues remain. They include tax harmonisation, health standards affecting free movement of food, financial services, free right of resi-dence (as distinct from right of employment), and the catch-all conun-

drum of where and how to administer tax checks and national security export controls and where and how to police drugs, arms and terrorists with-out any internal EC border check-

Perhaps the most telling support for the "irreversibility" argument comes from business behaviour. Generally,



lead. On some issues, business seems increasingly impatient with the politicians' foot-dragging; it would like more attention paid to simplifying Europe's differing corporate tax struc-tures and would welcome the clarity of agreed EC merger controls vested

But many companies, both EC and foreign, are already planning their European strategies on the basis of a

single market. For most, the logical response to the transformation of 12 markets into one is to concentrate their production, if not sales, facilities in fewer locations to reap economies of scale in the 320m-strong market. This restructuring seems to be the force driving this year's expected 7 per cent increase in EC investment, the highest annual rise for two

If the internal market programme is becoming irreversible, its component measures also have a way of multiplying. One measure seems to lead to another. The classic example is capital movement liberalisation, agreed in June, but with a caveat (at French insistence) that obliges the Commission to come forward very soon with plans to harmonise tax treatment of interest on savings and unearned income and obliges the Council to pronounce on such plans by mid-1989. Resolving this will be one of the trickiest problems facing the Commu-

nity next year.

Progress in the internal market has also led to calls for matching progress in other areas. That this should surprise anyone shows how few people have read the Single European Act a full three years after it was signed by all 12 governments. For the first time

it brought social, environmental, regional and monetary policies into the Community's remit The social and monetary aspects

are by far the most controversial. A straight run of three socialist governments - Greece in the last half of this year, and Spain and France next year - in the presidency of the EC Council was bound to push social affairs to the fore. The first batch of common rules on health and safety at work were passed this month.

Aiding and abetting this is Mr Delors, whose most graphic quote of the year was that the UK government seemed to regard him as "some kind of red demon fanning the dying embers of socialism." Social affairs will certainly be one of his favourite public platform themes in 1989, but he clearly regards as far more significant his work behind closed doors in Basle as chairman of his special committee. Set up at the Hanover summit and composed largely of central bank governors, this body is due to report next April to EC governments on the next stages towards monetary union.

The committee's recommendations

The committee's recommendations may fall far short of anything resembling a European central bank. Short term, it may advocate modest tinkering with the present system — narrowing intervention margins in the parity grid of the European Monetary System (EMS), or encouraging central banks to make more use of the Ecu in intervention, or even just giving the regular committee of EC central bank regular committee of EC central bank regular committee of EC central bank governors greater powers for future initiatives.

But it is certain to couple any suggestion with a ringing endorsement of the need for greater macroeconomic policy convergence between member states, if only because a post-1990 Europe of free-flowing money may require that to prevent the EMS flying apart. Repeated Commission calls for economic policy convergence have been so often ignored by national gov-ernments that explicit support for the idea from their top money men may be regarded by Mr Delors as no small

At the same time, however, there is a risk that differences over monetary cooperation may compound other divisions. It is the old spectre, in new form, of a two-speed Europe, with geo-graphically peripheral countries such as the UK and Greece keeping their cherished freedom of manoeuvre on exchange rates, tax and frontier controls, and all the rest moving towards each other.

That would mean that 1988-89 would turn out to be a different kind of watershed. Despite all the emerging opportunities for Europe to play a more significant role on the world stage, it would be a time when the Europe of the 12 began to shrink in reality to something more like the old Holy Roman Empire. It would be a time when only those countries with long cultural affinity felt able to move onto new stages of economic, mone-tary, political and social unity.

# LOMBARD Perils of

perestroika

By James Blitz

Germany, Czechoslovakia and Bulgaria for a moment. Their Communist leaders have strained every sinew to keep out glasnost and perestrolka. Only in Hungary, Poland and the Soviet Union is reform truly on the agenda.

But on the specific issue of political reform, the Hungari-ans and Poles have talked much and achieved little. In Hungary, the outcome of recent discussion about a multi-party system is that the country is not going to get competitive elections for sev-eral more years.

The party leader, Mr Karoly Grosz, says he is committed to such elections one day and has allowed the non-Communist New Democratic Forum to engage in limited political activity. But the Hungarian Communist leadership knows its intensive economic reform, including more private enter-prise and reductions in state subsidies by half, will mean price rises, job losses and ulti-mately social discontent. This is not the moment for the party to weaken its political grip.
In Poland, the party leader-

ship's primary goal is also economic reform, entailing unpo-pular cuts in subsidies and price rises. So the Government negotiated with Mr Lech Walesa to give him a limited political voice which would require him to share the burden of unpopular decisions. The talks broke down, because it was one thing for President Wojciech Jaruzelski to seek public support, but to legalise Solidarity (as Mr Walesa demands) would let a colossal cat out of the bag, trampling on economic reforms.

The problem of mixing political and economic reform taxed Lenin in 1921. At the Tenth Party Congress, he introduced the New Economic Policy and a limited degree of privatisa-tion into Russian industry and agriculture. But the same congress passed the Bolsheviks' most authoritarian measure since the revolution: a ban on all factionalism and dissent in the party. Today the Hungarians and Poles are following

Mikhail Gorbachev, however, differs. His main goal is

FURGET ROMANIA, East to boost the economy, but he is going full steam for political reform at the same time. The perestroika banner is not simply an economic one, like Lenin's NEP. Perestroika means restructuring politics, economics, the rule of law and

culture Arguably, Mr Gorbachev is fighting a different battle. Economic reconstruction requires big changes in middle-ranking party personnel and bureau-crats. They will obstruct economic reform until they are ousted and March's new multi-candidate elections for party posts may remove more of these obstructions.

But the broad calls for democracy and "political plu-ralism" have also galvanised a host of dissenters: nationalist groups in the Baltics, Georgia groups in the Baltics, Georgia and Armenia are using the new atmosphere to push old claims for regional autonomy. By lifting the lid on political debate, Mr Gorbachev has, at an early stage, unleashed problems that distract him from his economic aims.

And worse is bound to come Economic reform is difficult medicine for the Soviet public to digest as the General Secretary heard last year in Siberia. There are popular complaints about profiteering in co-opera-tives and the undermining of the old pillars of the economy. In the face of that discontent, the Soviet leader cannot afford to have visible thorns in his

Thus it may be that Mr Gorbachev is pushing political change too soon. In 1989, he should highlight specific elements of the perestroika message, without reducing the long term reform agenda. After the March elections ,the reform drive could justifiably concentrate on consolidating economic change.

That is not the Soviet goal that the West most wants to see achieved, but a better economy and living standards are the bedrocks for real political change later. Sweeping calls for democracy now, while sweet to our ears, bring oppor-tunities to political groups who have no stake in the economy or in Gorbachev himself. Peres-troika, by all means, but peres-troika ekonomicheskaya first.

# LETTERS

# Transport for London

From Mr David Savers. Sir, Your leader writer's Christmas gift to the London traveller (December 22) would, f am sure, have been ridiculed by your commentators if it had. come from a politician or public servant.

Tunnelling to excess capacity in London's transport system may be fun, but it is not good economics; London's travellers might welcome it, so long as others paid, but others may wonder why they should subsidise life and business in the richest and most congested part of the country. They may also wonder why your leader writer believes that Londoners have paid for investment outside the town, from which they have not benefited. Do Londoners never venture out on those motorways which radiate from the town?

The demand for additional capacity on London's transport system cannot be estimated accurately when charges on all modes of transport are below the cost of supply. I can imagine how damning the com-ments in the FI would be if a nationalised industry proposed a massive expansion in capac-ity because demand exceeded supply, at a time when its charges were far below its costs; but that is precisely what your leader writer pro-poses for London's transport. Until charges for all forms of transport equal the economic

costs of supply - which means that fares on public transport should reflect marginal costs, and charges for road users should eliminate congestion it would be impossible to make rational decisions about investment in London's transport

The economic benefits from such investment would be the additional journeys which could be made and the improved quality of service

From Mr Stanley Crossick. which could be provided, both of which should be reflected in revenue. Any reduction in road congestion would not be an economic benefit, because it

the roads - as Sir Alan Walters pointed out some time ago. If economic charges were made for travel in London, demand would be lower than it is now and employment in London might well decline as well: the present subsidy to London's transport is also a subsidy to London's employment. But some extra capacity might well seem justifiable, both in public transport and

could also be secured by charg-ing an economic price for using

Goods and services can only reach London's businesses by road; and the demand for per-sonal travel around London appears substantially in excess of demand throughout the day at present prices, and might still be in excess of demand at economic prices. But the means by which this demand could best be satisfied would require more careful analysis than your leader writer could

supply.
The Financial Times could contribute constructively to the debate on London's transport problems if it could encourage the Government to analyse this issue more pro-foundly than it appears to bave done, as well as encouraging it to remember that the different modes of transport do interact.

The real danger is that decisions on investment in London's transport will be taken on strictly uneconomic criteria, in the absence of information on the true demand for travel. Economic pricing should come before new infrastructure: can you get this message across? David Sawers, 10 Secrien Avenue. Angmering on-Sea, Littlehampton, West Sussez.

Hardly old-fashioned

Sir, Thomas Sharpe's analysis of the draft European Community merger regulation (December 21) places him firmly in his own "Little Englander" category. His con-clusion that "the regulation is an old-fashioned bureaucratic response to a limited problem" is not substantiated. Commissioner Sutherland can hardly be regarded as an old-fashione bureaucrat nor can most of the other supporters of the mea-

Those companies and their advisers who have already

been involved in mergers with a Community dimension would not regard the problem as "limited." The use of Articles 85 and 86 of the EEC Treaty to control mergers is unsatisfactory, as is the overlap between EC and national jurisdictions. Mr Sharpe gives himself away when he concludes that "on principle . . . it is inap-propriate to invest the EC Commission with even further

powers". Stanley Crossick, C&L Belmont, avenue de Tervuren 2 b 3, B-1040 Brussels, Belgium.

### Supplying the facts

his very cogent piece about London Life by including a short paragraph that branded the dissidents as being obstructive on racist grounds ("they do not like Australians") and not being prepared to take action themselves. Please can he supply me with the facts that justify those accusations

as true? Raymond Hughes accurately reported me on Tuesday December 13 1988 as saying in court inter alia that I wished to exclude any London Life direc-tors associated in any way with Australian Mutual Provident from making recommen-dations to the policyholders or chairing meetings.
This is no racist reaction: a

straight avoidance of conflict of duty or interest. As Mr Hughes reported I had sought a 24-hour adjournment on December 12 but this was refused: as was my seeking leave from Mr Justice Hoff-

mann to appeal. It appears that I have good grounds for an appeal but I am not: costs and the matters can

From Mr Christopher J be raised in court in February.

Whitmey.

Sir, Why, on Christmas Eve of all days, did Eric Short mar experience in the same area of London Life has repeatedly admitted that AMP has no experience in the same area of life assurance business; they equally admit the Equitable has. I, like others to my knowledge, have had talks with London Life, Equitable, DTI Insur-ance Division and Inland Revenue Technical Division. On the facts and merit of argument, I believe a merger with Equitable is preferabl Mr Short so clearly highlights, how is this to be achieved? If it were a listed company a counter-offer could be made and the offeree would have to evaluate

> 1985 does provide an avenue for the dissidents. Under 6.376 if I can get 20 per cent of the some 66,000 members - 13,200 - to agree with a circular, of less than 1,000 words, putting my case against the AMP merger and pro-Equitable, then London Life, under penalty of a fine, is bound to circulate it and probably at my expense.

Of course the Companies Act

Christopher J Whitmey, Oldstone Furlong,

# A message to Wearside about 'miracle' recoveries

From Mr Brian J Crangle. Sir, I read the article on Wearside (December 20) with great interest, partly because I was born and educated there and partly because of my involvement with Consett during its most difficult days.

I was working in Consett when the steel works closed and helped to form the group of local businessmen who established the Derwentside Industrial Development Agency, becoming its founder chairman and remaining as such until my move to Doncaster last year.

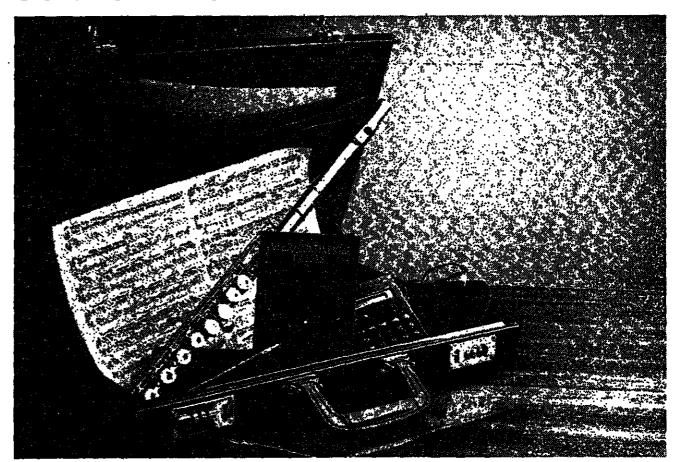
When the steel works closed in 1980, many people, including highly placed government offi-cials, believed that Consett was doomed. It was said that it would be "the Jarrow of the 80s", that it would never recover and that it should be left to its own devices. As is well known, it did

recover and many new, real, permanent jobs have been created. There are many reasons for Consett's recovery. The more important are: government financial assistance, availability of English Estates and local council off-the-shelf factories, and most important, the whole-hearted co-operation of public and private sectors. Government agencies, the local authority and the development agency all worked towards the same end with the same strat-

egy.
While this formula cannot be universally applied, my mes-sage to Wearside is that with the total co-operation and involvement of the local community and the various local and national agencies, you can achieve the same "miracle" as has been achieved eisewhere. Brian J. Crangle,

DonBAC 19-21 Hallgate, Doncaster.

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# **FINANCIAL TIMES**

Friday December 30 1988



INDIA AND PAKISTAN SEEK TO END MUTUAL SUSPICION

# Gandhi and Bhutto on peace path

By Christina Lamb in Islamabad

THE ASIAN sub-continent's two great political dynasties have begun bilateral talks in Islamabad, with Mr Rajiv Gandhi, the Indian Prime Minister, meeting Ms Benazir Bhutto, his newly elected coun-terpart in Pakistan, for talks which both sides hope will overcome decades of mutual suspicion and bring peace to

Great significance is being attached to Mr Gandhi's arrival for the first formal visit by an Indian Premier in almost 30 years. He is in the Pakistani capital as head of the Indian delegation to the summit of the South Asian nations but has agreed to stay on for the talks. As the young and glamorous son of a Prime Minister who was assassinated, Mr Gandhi has much in common with Ms Bhutto, whose own father, Pakistan's first elected prime

minister, was hanged in 1979.

Both leaders are facing domestic pressure which they are keen to ease by a diplomatic victory abroad and Natwar Singh, the Indian Minister of State for External Affairs, says Mr Gandhi has brought with him major initiatives to break the deadlock between the two countries.

Top of the agenda is the signing of the 1985 spoken agreement between Mr Gandhi and President Zia under which both countries would refrain from attacking each other's

President Zia always insisted



Bhutto and Gandhi at prayers yesterday before the start of the South Asian nations'

However, just before his death in August he reportedly admit-ted to a delegation from the Washington-based Carnegie Taskforce that Pakistan's nuclear capability was advanced enough to act as a deterrent against India.

The delegation later observed "both India and Pakistan now perceive each other to be capable of deploy-ing nuclear weapons. This has set the stage for an open-ended arms race.

Although yet to be publicly admitted, it is widely accepted that Pakistan's nuclear installation at Kahuta does have a President Zia always insisted that the country's nuclear programme was purely peaceful.

military role. During the election campaign much ire was raised after a reported statebetween the two countries have deteriorated, particularly after General Zia seized power in 1977. India accused Pakistan of arming the Sikhs in Punjab, while Pakistan claimed the Indians were behind unrest in Sind, in particular the massacre in September when masked gunmen killed more than 200

However, India has given clear signals that it has more time for the new democratically elected government than it had for Zia's quasi-military

Mr Gandhi sent warm per-sonal congratulations to Ms Bhutto when she was sworn in, since ensuring that no adverse statements against Pakistan have been made. For her part, Ms Bhutto has scrapped Zia's attempts to formalise a no-war pact, instead stating adherence to the Simla accord which pro-vided for bilateral discussions

on conflicts.
Differences between the two countries still remain and nei-ther leader can afford to be seen as giving way to the other. Mr Gandhi is expected to demand that Pakistan ends its alleged aid to Sikh extremists, while Ms Bhutto's majority is too tenuous to agree anything which might antagonise the hawkish generals of Pakistan's army.

In the end, the talks may prove little more than a photo opportunity whose importance lies in the chance to build a personal rapport on which future agreements can be laid. Technology exchange, Page 3

# Two French girls freed captivity continues

By Jim Muir in Nicosia

place in the Middle East in recent years.

The two girls – Virginie Betille, 6, and her sister Marie-Laure, 7 – were handed over to officials at the French embassy in Tripoli late yesterday, and were reunited with their father before leaving to fly to Paris.

The girls were seized with their mother and five Belgiau friends by Abu Nidal's Fatah Revolutionary Council while cruising in a converted fishing-boat somewhere in the eastern Mediterraneau. The FRC maintained that they

FRC maintained that they were Jewish spies for Israel, though the families insisted

time, assuming – as the French news agency AFP reported – that they came by boat. From Lebanon to Bengh-azi is about 1,000 miles, and the weather this week has been singularly rough. Some observers suspect that the girls and the other hostages may even have been in Libya since they were snatched in the Mediterranean in Novem-

The French Government had apparently been secretly negotiating with Libya for their release. By the time the girls were "freed" in Libya, a special French envoy, Leon Bouvier, had been in Tripoli for several days waiting for them.

line Valente, remains in cap-tivity along with the five Bel-gian friends with whom she was seized. A year ago, Abu Nidal's men announced that she had given birth to a baby daughter. The father was one of the Belgians, Fernand Houtekins, whose wife Godelieve is also one of the ill-fated yachting party.

Jacqueline is now pregnant tually end up with the same number of hostages as he took.

# as mother's

TWO young French girls were TWO young French girls were on their way home to Paris from the Libyan capital Tripoli last night after nearly 14 months of captivity at the hands of the extremist Palestinian Abu Nidal faction, in what is possibly the strangest kidnapping saga to have taken place in the Middle East in recent years.

though the families insisted they were Roman Catholic. In keeping with a saga sur-rounded by mystery from the outset, the release of the two girls was attended by hizarre events. Col Muammar Gaddafi, the Libyan leader, and Abu Nidal himself vied to claim credit for the release. credit for the release. Abu Nidal's spokesman in

Abu Nidal's spokesman in Beirut, Mr Walid Khaled, announced at the weekend that the two girls were about to be freed, in response to a Christmas appeal from Col Gaddafi. But nothing happened until the aunouncement from the official Libyan news agency yesterday that the girls had arrived safe and sound in Benghazi, Libya's western port city. city.

They must have made good

Also in Tripoli, it tran-And in Tripoit, it tran-spired, was the colourful fig-ure of Mr Jean-Charles Mar-chiani, a former intelligence operative, who made several appearances in Beirut under a pseudonym while playing a key cloak-and-dagger role in helping free other French hos-tages.

The girls' mother, Jacque-

again – again by Mr Houtek-ins. So despite yesterday's releases, Abu Nidal will even-

# first elected Prime Minister. Since then, relations France urges EMS change to speed union

By Peter Norman, Economics Correspondent, in London

institutional changes in the European Monetary System to help advance the goal of eco-nomic and monetary union within the European Commu-

According to European monetary officials, the country has called for the pooling of a small part of EC central bank reserves and more formalised discussion of national monetary policies among EC central banks as a way of initiating the process of European monetary integration.

The proposals have been put forward in the 17-strong Delors Committee of central bank governors and outside experts. This body was charged by EC leaders at the Hanover summit potential of modest instituting in a practical way. The central Reserve.

FRANCE has proposed in June with the task of studying concrete steps for economic and monetary union in the 12nation bloc.

. The committee is now evaluating its members' views with the object of producing a report for EC finance ministers

around next April.

The French proposals reflect dissatisfaction with the views of many central banks, such as the West German Bundesbank. which tend to regard monetary union within the Community as the final "crowning" step at the end of a lengthy process of economic and monetary inte-

The officials said France felt that such an approach failed to

tional changes in the process of monetary union.
At the same time, the Bank of France is anxious not to

rush ahead with plans for mon-etary union without progress towards greater economic integration in Europe.

A rushed approach similar to that advocated in February by Mr Valery Giscard d'Estaing and Mr Helmut Schmidt, respectively the ex-president of

Nusrat Bhutto, later denied, that Kahuta would be opened

to American inspection.

Diplomatic sources predict that, for the first time, India

may suggest a long-term troop reduction such as Mr Mikhail

Gorbachev, the Soviet leader,

recently proposed to Nato. A cultural and trade agreement and easing of visa restrictions are also likely to be discussed. For the two leaders, this

meeting is a replay of 1972, when Mr Gandhi's mother, Indira Gandhi, then Prime

Minister, signed the Simia accord with Benazir's father, Zufilkar Ali Bhutto, Pakistan's

France and the former West German Chancellor, would be "too explosive," the officials France believes that the moves it has suggested in the Delors committee would force member central banks to

banks would, for example, have to work out how they should jointly invest the pooled reserves. The Bank of France has also

suggested that the central banks could use the pooled reserves in currency interven-tion, possibly in the framework of co-ordinated intervention by the Group of Seven leading industrial countries.
France also believes that the

existing committee of EC cen-tral bank governors could dis-cuss co-ordination of national monetary policies in greater detail, possibly developing along the lines of the US Fed-eral Open Market Committee, which is the main decisionmaking body of the US Federal

# bomb culprits

Continued from Page 1 tive in money and mannower. At present baggage often waits for long periods on air-port aprons before being stowed, leaving terrorists the opportunity to plant bombs in individual bags. Only increased surveillance on the

apron could prevent this, The overall view throughout the airline industry yesterday was that the problem of total airport security was almost impossible to solve without big injections of money and man-power, which would have to be

passed on to passengers. Even so, it is accepted that passengers on many interna-tional flights, especially to and from the US, will for some considerable time have to accept longer check-in times and more

# US vows to find Warning on UK research cuts

BRITISH Government cuts affecting university science departments may be making the UK less attractive as a place for pharmaceutical industry investment, according to a report commissioned by 17 US drugs companies with bases

The study, which discusses several factors affecting attitudes of overseas drugs compa-nies towards investing in Britain, was written for the companies by the Economists' Advisory Group, a London-

based consultancy.

It follows warnings over the past year from several leading UK drug industry representa-tives that shortages of funds for pure science in academic institutions may be affecting the sector's outlook.

The report may also strengthen the case of academic researchers arguing that shortages of Government funds for pure science could ultimately hurt science-based industry.

Pharmaceutical industry managers believe the funding problems are particularly acute in scientific disciplines such as chemistry and biology which are directly relevant to the

ing these areas may, according to people in the industry, lead to fewer new scientific ideas which could result in novel healthcare products developed

Shortfalls of cash in academic establishments research-

by companies.

Another result could be to reduce the universities' output

of scientists.

The UK pharmaceutical business, which spends about £300m a year on R&D, is widely regarded as one of Britain's

few successful science-based industries. It has annual sales of about £4bn, of which the British subsidiaries of USowned companies contribute roughly a quarter. According to the report, the UK has traditionally been seen as the strongest European

as the strongest European country in pure sciences relevant to the drugs industry. The UK lead appears to be slipping, however, because of the shortages of cash.

Rectifying the problem may be difficult, the report says, partly because of the Government's general lack of sympathy for pure science research.

thy for pure science research.

# THE LEX COLUMN

# Building societies prepare for war

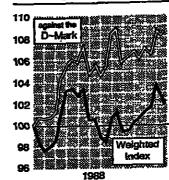
The full effects of the recent sharp slowdown in UK mort-gage lending still have to work their way through the system, but it is beginning to look as if the commercial banks and the new generation of mortgage lenders which have accurated lenders which have erupted onto the market over the last couple of years will be the ones that feel the real pain. Natthat feel the real pain. Nat-West's decision to raise its mortgage rate by a full per-camage point, while the Wool-wich has only gone for a 0.75 per cant rise, gives a good clue to how the other major players will move. The building societ-ies are once again flush with relatively cheap funds and are intent on undercutting the

newcomers.
This is in sharp contrast to 1987 and a good part of 1988 when the building societies were bidding up investor rates to finance their heady growth targets. As a result their retail funds were costing more than wholesale money and the gap between mortgage rates and bank base rates – a good proxy for the competitive bal-ance - had widened from a normal rate of around 1 per cent to well over 2 per cent. The subsequent loss in market share was a bitter blow to the building societies and they are anxious not to repeat the same

Even after the latest increase in investor rates, the average cost of funds for a building society is probably 75 basis points below that of the banks, and while the Halifax and the Abbey National could probably afford to undercut the Woolwich's 18.5 per cent, NatWest and the other clearing banks should be charging mortgage rates closer to the TSB's 14.2 per cent, if they want to earn anything like a decent return. Losing market share in a grow-ing market is one thing, but conceding market share in a declining market could be very painful for some of the new

### William Collins

Fashionable white knights are wearing large cloaks this season. After Textron's trendsetting anonymous bid for Avdel, the new suitor for William Collins emerged equally heavily veiled yesterday. Guardians of disclosure might regret the fact that shareholders are being deprived of the right to know who is offering the cash before they make up their minds. However, if the alternative is vague holding annoucements while the institutions are being sounded out, then perhaps it is better that the price should be in the market for all to see.



In the case of Collins, that price may not be generous, but at least it is a serious approach — which is more than might be said for News Internationally of the cast least the cast least least the cast least le be said for News international's offer of 37 per cent less. Indeed, if Mr Murdoch was playing by any recognisable rules, he would surely take the money and be glad. However, his peculiar declaration that he will not sell has been made so will not sen has been made so strongly and repeated so often that it is hard to believe he intends to go back on it - even if the Panel would allow him to do so. On the other hand, he would look pretty silly return-ing with a knockout bid at close to £10, after having made such an inadequate first shot. The whole affair might seem headed for another stalemate. were it not for the fact that it

would be the worst outcome

#### South Africa

for all parties.

Any fund manager who wishes to start the new year with a clean conscience will soon have something to measure it against: an index cleansed of South African influence, to be launched in January by County NatWest WoodMac. Investors with a bias against the sins of the flesh are no new thing in the UK market; but up to now, there has been little demand for an index which removes, on a worldwide basis, all companies which invest directly in South Africa.

The result is an index which looks more like a punt on the Japanese market than any-thing else. As Japanese companies are not allowed to invest directly in the Republic, they end up with 50 per cent of the World index while Europe's share falls from its normal 21 per cent to about 14. And in case anyone should doubt the strength of the vested interests get away with one measuring opposing sanctions in the UK,

nearly half the capitalisation of the UK market fails the apart-

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Not surprisingly, the Japa-nese bias of the index means that managers who had fol-lowed it in the first nine months of 1988 would have seen their consciences pay off in a total return 1½ points higher in dollar terms than that of the FT-A World index. higher in dona terms that of the FT-A World index. But there is a moral paradox here: excluding only those companies which invest directly in South Africa — rather than those which trade with it, or maintain other nonequity links — tilts the index in favour of the very country which has made the most money out of trade with South Africa in recent years. And though it would surely be impossible to exclude every company which had any form of South African link, this bias might be expected to give the might be expected to give the truly ethical investor pause for

thought. But those who are likely to find the index most useful -the US public pension funds. some \$60bn of whose assets come under legal restrictions against South African investment - seem, for the most ment — seem, for the most part, to be content with avoid-ing direct investment only. Their UK counterparts look less likely to provide a market for such a product the legal status of ethically-inspired investment decisions is much investment decisions is much less clear in the UK than in the US, and in the current political climate, it seems likely to

#### Sterling index

Year-end dementia in the foreign exchange markets is only to be expected, but the move from 77.4 at yesterday's close to a probable 97 this morning in the Bank of England's trade weighted index might seem to be going it a bit. In fact, the weights have been redesigned to match the changing balance of UK trade away from the US and towards Europe; and while the behaviour of the index may not alter radically, the market would do well to pay more notice than previously. For most of the year, the foreign exchanges have single-mindedly viewed exchange rate policy against the £/DM rate alone, whereas the Chancellor steering a course between the DM and the trade weighted index. With the DM bloc currencies - including the Swiss franc and the Austrian schil-ling – constituting two thirds of the new index, he might just

Deutsche Siedlungs- und Landesrentenbank

US \$ 100,000,000 81/s per cent, bonds due 1996 DSL Bank Deutsche Siedlungs- und Landesrentenbank

("DSL Bank") hereby gives notice that its wholly-owned subsidiary DSL Bank Luxembourg Société Anonyme 208, Val des Bons Malades L-2121 Luxembourg ("DSL Bank Luxembourg")

has by agreement between DSL Bank and DSL Bank Luxembourg dated December 30, 1988 (the "Agreement") assumed any and all obligations of DSL Bank under the Bonds and Coupons, including the obligation to pay principal, interest and any other sums due or becoming due under the Bonds and Coupons, in accordance with the Terms and Conditions of the Bonds (the "Conditions"), except for the obligations arising under Clause 4 (negative pledge) of the

The assumption of obligations as aforesaid constitutes a contract for the benefit of the bondholders and couponholders from time to time pursuant to § 328 (1) of the German Civil Code giving rise to the right of each bondholder and couponholder to require performance of the obligations assumed directly from DSL Bank Luxembourg and to enforce such obligations directly against DSL Bank Luxembourg.

The assumption of obligations as aforesaid is valid without the approval of the bondholders and couponholders and does not in any way prejudice the rights of the bondholders and couponholders any way prejudice the rights of the Bonds and Coupons, and the obligations assumed by DSL Bank Luxembourg constitute obligations additional to and independent from the obligations arising under the Bonds and Coupons.

Copies of the Agreement will be available for inspection by the bondholders at The Chase Manhattan Bank S. A., Woolgate House, Coleman Street, London EC2P 2HD, England, in its capacity as Principal Paying Agent in respect of the Bonds and Coupons.

DSL Bank Luxembourg was founded on November 4, 1988 under Luxembourg law for an unlimited duration. It is registered with the Trade Register in Luxembourg under No. B 29076. The subscribed capital is presently DM 50,000,000. Bonn, December 30, 1988

D\$L Bank Deutsche Siedlungsund Landesrentenbank

### French Revolution runs into a wall of indifference Continued from Page 1

teau de Vincennes, on the outskirts of the city. On June 26 a monument to the "rights of man", by Ivan Theimer, will be unveiled on the Champ de • July 14. "Festival" starting

with the inauguration of the new Bastille Opera and "the world's largest ball" on June 13, with military parades;
• August 26. "Homage" to the Declaration of the Rights of Man, with carnival floats from all over the world on the previous day and a concert by Urban Sax in the urban jungle

• September 20-21. "Rallying" round the republic in celebra-tion of the victory of Valmy (actually in 1792, not 1789).
There is indeed a myriad of events and exhibitions planned for 1989, but details sufficiently precise for a tour operator to plan by are hard to obtain. The official Bicentenary Mission programme, for example, gives neither hours nor contact telephone numbers for the events

The Mission's Minitel video-text service (code B89) prom-

ises such epic attractions as a cock-crowing contest at Pom-pignan in the Languedoc region on July 2, or the "Relais des Cent Culottes," a children's relay race to be held sometime between June 17 and July 14, in a place yet to be specified.

The Maison de la France tourism promotion office has

done better, with not only tele-phone numbers but even, in many cases, ticket prices. It has still not managed, how-ever, to assuage the wrath of the travel industry. "The Mission doesn't seem to

travel agents federation, says.
"The situation is at the moment grotesque," Mr Yves Mourousi, the television presenter who has been trying to organise a series of concerts and events in honour of the Revolution, commented in a recent interview with the magazine L'Evénement du Jeudi. Mr Mourousi himself has not entirely escaped criticism. He plumbed unsuspected depths with his recent re-staging on the winning side.

care a bit for the rest of the world," Mr Georges Toro-manof, chairman of the French the trial of Louis XVI, with Mr Leon Zitrone – a sort of French combination of Richard Dimbleby and Eddie War-ing – as the presiding judge, and the controversial lawyer Mr Jacques Verges defending Mr Jacques Verges defending the king.
Mr Verges usually takes up lost causes – his clients last year included Mr Klaus Barbie, the Nazi war criminal, as well as Mr Georges Ibrahim Abdal-lah, the terrorist – but he found himself for a change on

Thrifts sale faces political storm

have serious questions about the impact your plans will have on the Federal budget, the competitive balance of the

within our financial system." mer of New York, a prominent member of the House Banking committee, said he was wor-ried that tax breaks made available for the recovery of the ailing thrifts would in fact

insures thrifts' deposits.
At present, FSLIC is not obliged to consider potential loss of tax revenue to the US Treasury, the official said.



16 61 C-Cloudy D-Drizzie F-Fair Pg-Fog H-Rail H-Rain 17 63 S-Gun Si-Steet Sp-Gnow T-Thumber

Continued from Page 1

remaining thrift industry and the concentration of power

Congressman Charles Schngo to the investors' holding companies. These benefits will be halved at the year's end on

Saturday. Congress will next year con-

sider a comprehensive tax-payer financed ballout of the ailing savings and loans which officials believe total more than 500, concentrated mainly in Texas. Some estimates put the ultimate cost of the rescues at between \$75bn and \$100bn, while the board, chaired by Mr Danny Wall, has estimated it at around

week's deals were "remote." But he predicted that Congress would re-examine the responsibilities of the Federal Savings and Loans Insurance Corporation (FSLIC) which

We may consider that liquidation (of the thrifts) is a cheaper option."
The bail-outs are also expec-

One banking expert on Capi-tol Hill said yesterday that the chances of unravelling this ted to lead to a fresh debate about financial regulation

# **FINANCIAL TIMES**

# COMPANIES & MARKETS

Friday December 30 1988



#### INSIDE

### **Taking another** stab at Tootal

for the World

L.B.Plastics Limited Tel: (077 385) 2311



"Mr Textiles" of Australia is back at the throat of Tootal, the UK tex-tiles group. Just three years ago Tootal's board breathed a deep, deep sigh of relief when it emerged victorious from a bitterly fought bid battle against Mr Abe Goldberg. Now Goldberg is once again knocking at the door. He has been buying the group's shares anonytrousky since entit blesses. anonymously since early November. At the end of last week, it emerged that he had a holding of over 9 per cent. Alice Rawsthorn looks at this latest twist to the Tootal-Goldberg battle. Page 14

Stampede of the Beef Baron

Larry Goodman, the Irish businessman who is Larry Goodman, the Irish businessman who is commonly referred to in his own country as the "Beef Baron," has built up a 7.9 per cent holding in Unigate, the British, foods, dairy and distribution group, Keiran Cooke looks at the career of one of the Republic of Ireland's richest and most secretive men. Page 14

#### Gorby Rally stars in a cheeriess year on Wall Street



The highlight of a difon Wall Street was the share rally that exploded as Mr Mikhail Gorbachev, the Soviet leader, started his tour of New York. Quickly dubbed the "Gorby Rally", the only disappointment for equity dealers

burst of buying for ages was that the General Secretary did not manage a visit to the market floor to ring the closing bell. "It might, however, have seemed like a symbolic end to capi-talism," remarked one dealer. Equity market traders may not sense such an imminent demise, but the assessment of 1988 is a sombre one. Janet Bush explains how the market is still suffering badly from the after-effects of the October 1987 crash and how uncertainties about prospects for the economy have undermined any recovery in confidence. Page 25

### Bond's trunk call to Chile

Mr Alan Bond, the acquisitive Australian entrepreneur, has acquired a majority stake in Com-pania de Telefonos de Chile (CTC), which provides around \$5 per cent of the country's domestic telephone services, through a unit of his Hong Kong-listed Bond Corporation inter-national. Under CTC regulations no shareholder may normally own more than 45 per cent of the company, but agreement has been reached giving BCI until August 31, 1992 to reduce its shareholding to below that level.

# Sterling pounds out the profits



Just two years after its creation, Sterling Chemicals and its 900 employees are riding high on surging demand for the company's raw materials — used to produce . plastics, fibres and paints. Formed when managers bought a group of Texas commod-ity-chemical plants from Monsanto, the restruc-

tured Sterling, headed by Virgil-Waggoner (above), has boosted profits from \$3.5m in 1985 to \$47m last year, allowing staff to sell part of their stake at more than 100 times the original value of the shares. Now the big question is how long the good times will last, writes Peter Marsh in the latest in a series on the US chem-

# Market Statistics

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# Up against it on Capitol Hill

David Lascelles talks to Danny Wall, the man charged with tackling the US savings banks crisis

r Danny Wall has been described as the man with the worst job in Washington. As chairman of the Federal Home Loan Bank Board, he is in the thick of the crisis engulfing the US savings banks. On average four times a week he has to rescue some thrift insti-tution somewhere in the US; on Wednesday alone he arranged a mammoth \$7bn rescue of six banks. By the end of this year, when certain tax advantages expire, he expects to have dealt with 200 rescue operations at a

cost of \$40bn. The crisis has now reached such enormous proportions that no one can even agree on how many billions of dollars are at risk, how many billions more will be needed, or even where they will come from.

Mr Wall's Federal Savings and

Loan Insurance Corp, which was set up by Congress to insure depositors against loss, certainly does not have enough money to cope. All this will pose the new Administration of Mr George Bush with one of its most urgent tasks when it comes into office in tasks when it comes into office in

tasks when it comes into office in the new year.

Mr Wall himself, as one would expect of a regulator, tries not to be alarmist. In fact, he has become known — and has made himself highly unpopular in many quarters — for trying to play down the gravity of the situation and accusing his critics of exaggeration. "We have got the situation under control and it is beginning to resolve itself," he said in a recent interview.

Mr Wall has occupied the

Mr Wall has occupied the FHLBB hot seat for 17 months, during which time he has had to grapple not merely with the S&Ls themselves, but with the parlous state of the FSLIC's finances, and the politics of Washington where the S&L crisis has constantly been in the headlines (though none of the presidential candi-dates cared to make it a major

election issue).

He came to the job with both specialist and political qualifica-Jake Garn, the Republican senator from Utah who chaired the Banking Committee, he was an experienced "staffer" on Capitol Hill where he learnt his way around the political corridors. He worked for many years on the banking committee, dealing mainly with regulatory issues, including the 1982 Financial Institutions Act which liberated much of the banking sector from long-standing controls and, in many people's view, helped trig-

A neat, quiet-mannered man at first meeting, Wall is nevertheless capable of great bursts of volubility on the subject of S&Ls volubility on the subject of S&Ls which suggest a certain pent-up frustration. When asked, for example, what caused the S&L crisis, he readily comes up with not one or two reasons for it, but eight, ranging all the way from market shocks and reckless lending to propulatory brooks degree.

ing to regulatory breakdowns.

These discourses may be necessary to explain the extraordinarily complex background to the crisis, and to rebut what Mr Wall believes to be the widespread misconceptions about its size and the way it is being han-dled. But it has enabled his critics to claim that he is a man of

words as much as deeds.

Mr Wall, however, is firm about his record which shows, he

'It's like having one foot in the fire and the other in the ice bucket. On average you're comfortable' -**Danny Wall** 

maintains, that he is about half way through the clean-up job. The number of troubled institutions that was identified last year was 511, with about \$40bn to \$45bn at risk. In 1987, he dealt with 48 institutions, so far this year he has done 184 more, worth over \$25bp. He has concentrated on the biggest ones, which also encourages him to think that the gravest cases have been addressed, even if the rescues are not yet stitched up.

There are no big surprises left. But maybe one or two small ones will crawl out from under However, what of the claims

made by other people that the crisis is not only much worse than this, but also still growing? The Federal Deposit Insurance Corp, for example, (which insures commercial banks), puts the total losses closer to \$700m, and says they are increasing at the rate of \$150m a year.

Mr Wall dismisses the larger

estimates as the work of pessi-mists who look on the black side

rescues - often for their own special reasons. He is specially critical of people who have an interest in property in the contract of the cont interest in exaggerating the prob-lem, like the S&L industry itself which wants to generate political support for a bigger rescue opera-

Sitting, as Mr Wall, does at the centre of it all, receiving daily reports from the S&L battlefront, does he not feel he in the eye of a whirlwind which could cause enormous damage? "No," he replies, "that suggests that it's out of control. We have it under control."

What does strike him as a what does strike him as a strange sensation, though, is the contrast between the 20 per cent of the S&L industry which is in dire trouble, and the remaining 80 per cent which is healthy and growing. "It's like having one foot in the fire and the other in the ire bucket. On average the ice bucket. On average, you're comfortable."

There has been a greater urgency in his work in the latter

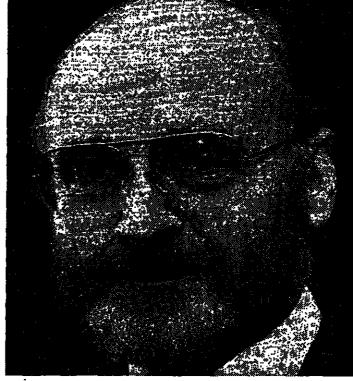
part of this year, not because the situation is getting worse but because some of the tax benefits for institutions which participate in rescues will be eliminated in

This is one of the political quirks in Congress' handling of the crisis. As part of its overall drive to close tax loopholes and cut the federal budget deficit, Congress will halve the tax advantages of holding paper issued by the FSLIC to finance rescues. It will also restrict the use that can be made of the tax losses built up by bankrupt S&Ls when they are bought up by healthy institutions. Then, in 1990, these advantages will be eliminated altogether.

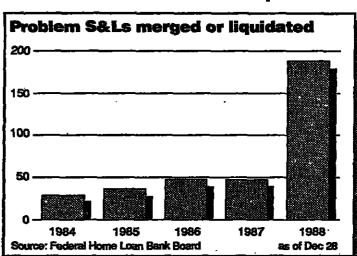
eliminated altogether.

Much of the controversy surrounding Mr Wall's handling of the crisis has to do with the fact that he has sought merger partners for stricken institutions, rather than dealing them a much-needed coup de grace. This critics say may only reployed. his critics say, may only prolong the problem - or enable entrepre-neurs to pick up banking busicorporate raiders Mr Ronald Perelman and Mr Robert Bass, who participated in this week's res-

Mr Wall's reply is that the tight financial constraints under which he is operating demand that he finds the cheapest way out. "And mergers are cheapest", he says. They are also wisest, he claims because so much of the claims, because so much of the S&L problem is concentrated in a single market, Texas, where a of the markets and the cost of string of closures could prove



Danny Wall: "There are no big surprises left. But maybe one or two small ones will crawl out from under the carpet."



devastating.
Besides, he finds an uncomfortable precedent for the alternative course - picking up all the pieces himself - in the problems which the FDIC faced when Midwhich the FDIC faced when shower farms were going bust in the early 1990s. The FDIC at one point became the largest owner of farmland in Iowa, which meant it could not dispose of its assets without depressing farm values still further and driving other hards to the brink

other banks to the brink. No matter how one judges the ever, he faces an uncertain

First, there is the question of how the rescue programme is to be financed now that the FSLIC is, itself, virtually bankrupt. Its borrowing authority of \$100n will be fully used up by the end of next year, and the healthy S&Ls are already rebelling against a special levy which was introduced to boost the FSLIC's pre-

ties. One is an increase in the FSLIC's borrowing power, though Congress would have to decide Congress would have to decide whether to put that on the Federal budget, or tuck it away off-Budget, in which case FSLIC's credit standing would not be as great, and its borrowing costs higher. Another is "user fees" — making S&L customers pay in the form of stamp duties on loans for example. A third is a loans, for example. A third is a straight appropriation from Con-gress — the simplest but least likely route.

There is also the question of Mr Wall's own fate. The expecta-tion in Washington is that he will be high up on the list of replacements when Mr Bush moves in.
One close observer of the FHLBR
says: "He will be the first to go."
But Mr Wall himself has made plain his willingness to stay, and he says he believes there are peopectal levy which was intro-ple in the new administration who will be able to formulate nium income.

Mr Wall sees several possibili
problem once and for all.

# **Collins** discloses terms of rival bid

By Flona Thompson in

WILLIAM COLLINS, the UK publisher fighting a £294m (\$525m) hostile bid from Mr Rupert Murdoch's News International, yesterday disclosed the terms of its potential white-project bid

while still refusing to name the friendly hidder, Schroders, the merchant bank acting for Collins, said the offers would be 880p for the ordinary shares and 735p for the non-voting "A" shares, with a loan note alterna

shares, with a loan note alterna-tive. This compares with News' offer of 640p and 535p.
Collins' ordinary shares closed 6p up at 845p last night while the "A" shares moved ahead 41p to 705p. The City was still uncertain as to the identity of the mystery hidder although the France role. bidder although the French pub-lishers Hachette and Presses de la Cite were mentioned.

The white night intended to make offers for the whole of Col-lins "pre-conditional upon a significant number of ordinary shareholders undertaking irrevo shareholders undertaking irrevo-cably to accept the offers," said Schroders, which would not quantify "significant." Greig, Middleton, Collins' stockbroker, was yesterday con-tacting institutional investors to discover the offer with them

discuss the offer with them. Leaving aside the 41.7 per cent stake in Collins held by News International since its abortive first attempt to gain control of the publisher in 1981, 85 per cent

the publisher in 1981, 85 per cent of the remaining shares are held by institutional shareholders.

Greig, Middleton had to agree with the Takeover Panel the form and content of the "script" with the institutional investors. As the panel insists on this to ensure shareholders are not being misled, the brokers, M. asked by investors whether they expect News International to accept the white knight's offer, will have to say no. say no.

say no.

This is because News last week stated that it "categorically will not accept any competing offer in respect of its 41.7 per cent voting stake in Collins."

This situation would change if

News, which has extended its offer until next Thursday, January 5, allowed it to lar then accept any offer.

Equally, assuming the white knight did gain 50 plus per cent and its offer was declared unconditional, the panel prohibition would drop as News would have lost and that battle deemed over. It is believed the panel would then allow News to accept an offer for its shares. But Mr Peter Stehrenberger, News' finance director, said last night he "could not see News selling its Collins' shares even then."

# Prudential pays A\$98.5m for Aetna's Australasian units

By Nick Bunker in London

SHAKE-UP IN the Australasian life assurance mar-ket has resulted in the UK's Prudential Corporation agreeing to pay A\$98.5m (USS\$4.3m) to take over the local life operations of Astna Life & Casualty, the US

insurance group.

The purchase, announced yesterday, also reflects the fact that some US insurers have been selling peripheral operations and focussing on their core busi-nesses at a time when their domestic profitability is under

domestic profitability is under pressure.

Prudential already sells life policies in Australia via 960 direct salesmen, and has a life subsidiary in New Zealand. The new move is simed at achieving economies of scale and strengthening it to compete with National Mutual and Australian Mutual Provident the two major Austral-Provident, the two major Australagian life assurance groups.

The acquisition values the Aetna operations at about 1.75 times their net assets of A\$56.7m

tralia in terms of total annual premiums. Mr Brian Medhurst, managing director of Prudential's international division, said its Australian sales were growing rapidly, but "we wanted a new lump of basic business that we could put through our computer system to reduce our costs."

Prodential's Australia and New Zealand life business had total 1967 annual premiums of A\$440m, roughly 5.5 per cent of its world-wide life business. The Aetna operation had total annual premiums of A\$109m for the year ended September 30 1968.

The background to the deal lies

The background to the deal lies in the difficulties smaller insurers have faced in Australia since the outbreak in 1986 of a battle for control of distribution outlets. This involved hig life companies offering high commissions and interest-free loans to insurance agents to persuade them to ance agents to persuade them to join their direct sales forces. As a result, some life insurers have withdrawn from the mar-

husiness tralian Melbourne-based Colonial Mutual. Mr Medhurst said: "Australia and New Zealand have far too many life companies, and people are finding that you either have to be big to compete with AMP and National Mutual, or you get out."

In addition, Aetna had relatively slender reserves in its Australasian life funds, which indirectly caused a A\$2.8m pre-tax loss in 1987-8 when it strengthened them with an injection of

Stockbrokers' analysts noted yesterday that Prudential is to finance the acquisition from its policyholders' life funds, rather than from its shareholders' capital. "It's something Pru has done in the past," said Mr David Nisbet of County NatWest WoodMac. "If it's making a high-risk, high-return investment, it uses sharereturn investment, it uses share-holders' funds, but if it is doing something to produce economies ket, most recently Scottish Ami-cable, which transferred its Aus-fund."

# IBM to take loss on Rolm sale

By Hugo Dixon in London

and will make Prudential the fifth largest life insurer in Aus-

INTERNATIONAL Business Machines (IBM), the world's largest computer maker, will absorb a hefty loss on the sale of most of Rolm, its US telecommunications

subsidiary, to Siemens. The West German electronics group will pay IBM between \$844m and \$1.15hn, depending among other things on Rolm's future profitability. This compares with the \$1.5bn IBM paid to buy Rolm in 1984.

Financial details of the deal were not revealed when IBM announced the sale of most of Rolm earlier this month. However, they appear in the fine print at the end of the formal

electronics company.

The Rolm deal represents a major retreat by IBM from its strategy for building up its pres-ence in the telecommunications industry.

it originally embarked on this strategy in the belief that computer and telecommunications technologies were converging, but this convergence has taken longer to happen than many pre-dicted. In the meantime, Rolm has

made losses of about \$100m a year, mainly because of competi-

offer document that Siemens has tive conditions in the market for put out with GEC of the UK in computerised switchboards their joint bid for Plessey, the UK (PEXs), of which it is a leading supplier.
Although it is clear that IBM

has made a substantial loss on its Rolm acquisition, the complexity of its deal with Siemens makes it difficult to calculate a precise fig-

Siemens is acquiring Rolm's manufacturing, engineering and development business in the US. IBM, however, will continue to own half of a joint marketing and service company in the US, and there will also be some co-operation on international distribu-

# WASHINGTON

Companies from across the world, including Nissan of Japan, have chosen Washington New Town as the base for their European

Washington is the prime location in North-East England offering fully serviced development sites, currently available from £32,000 per acre, to Industrial and Commercial Businesses and Developers.

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funding was given to the proj-

ect. Critics say there is as yet no sign of the promised new jobs materialising.

By far the most controversial

move of Mr Goodman's career

to date has been expansion

into the Co-operative move-

ment, one of the economic

foundation stones of the Irish

After a long and often vitri-olic battle earlier this year, Mr Goodman took control of Bail-

ieboro, a co-op with 4,500 mem-

Other moves into the dairy

sector have not been so suc-

cessful. Last month, members

of Leckpatrick Co-op in North-

ern Ireland rejected a I£40m bld from Mr Goodman, Loyalist

members were reported to be fearful about takeover by a

powerful company from the South.

In mid-year, Goodman Inter-national injected all non-meat

activities into Merchants Ware-housing, a publicly quoted

shell company which has been renamed Food Industries.

ith a market value of 1£80m. Food Industries, 70 per cent owned by Goodman Interna-

tional, is now among the top 20 companies on the Irish Stock

Exchange. Mr Goodman has granted

Food Industries a five-year option to purchase all or any of

his 7.9 per cent stake in Uni-gate, and any other shares he

may acquire, at cost price plus

first overseas move in the non-beef area and is seen as a pre-

inde to bigger things, although any outright takeover bid is thought unlikely at present.

Unigate already has interests

in Ireland both north and south of the border, and Mr

Goodman could be seeking to take control of these

operations in order to consoli-date his base at home.

Unigate is Mr Goodman's

Stampeding to success

matically.

the animal.

ARRY GOODMAN, the

has built up a 7.9 per cent holding in Unigate, the UK food, dairy and distribution

group, is commonly referred to in his own country as "Mister Meat" or "The Beef Baron." He

is one of the Republic of Ireland's richest and most

In a business renowned for

its sharp dealing and tough-

ness, Mr Goodman has a repu-

tation as the toughest and

most ruthless of them all.

as Mr Tony Ryan, head of the

aircraft leasing group GPA, Mr Micheal Smurfit of the Jeffer-

son Smurfit paper and packag-

ing group, and Mr Tony O'Reilly, head of Heinz and the

Dublin-based Independent

Newspapers, Mr Goodman is a man of considerable influence

in Irish political and economic

circies.
His privately held Goodman
International is now the big-

gest meat processing and

exporting company in the EEC.
Its turnover, estimated at
I£700m (£583m), is equivalent
to about 6 per cent of the Irish
Republic's GNP.

He is very much the local boy who has made good, both respected and resented in his home territory. His family were cattle dealers in County

Mr Goodman himself started

off in the meat trade as a teen-

on in the mean traine as a centrager buying and selling offal.
In 1962, he set up Anglo-Irish
Beef Processors to export beef
to the UK and France. He

acquired his first meat process-

ing factory in 1986. AIBP, Goodman's meat pro-

cessing subsidiary, now has

more than 30 plants and outlets, many of them in the UK.

In all, Goodman now con-

trols more than 80 companies.

Yet little is known as to how

"The Beef Baron" achieved his

remarkable success. He was

RODAMCO, the Dutch

property investment company which is waging a £1.3bn bid battle for Hammerson, Britain's third largest property

its target's voting rights by yesterday's first closing date. The offer is being extended to

Acceptances have been received in respect of just 975

By Nikki Talt

January 20.

Louth.

secretive men.

Keiran Cooke on the career of Larry Goodman

certainly the right man at the right time when Ireland joined the EEC in 1973.

EEC funds meant more

money for Irish agriculture,

more investment in beef stock. Beef exports, attracted by EEC export subsidies and the inter-

vention policy, increased dra-

Mr Goodman was the native pioneer of the "value added" process: slaughtering, process-ing and packaging beef and utilising every possible part of the artisal

Over the years, he has diver-

sified into other livestock and

various agribusiness activities. Companies controlled or major-tiy owned by Mr Goodman are

now involved in everything

from jam-making to food storage to animal protein manufac-

Goodman companies now

claim to have a 20 per cent share of the Irish Republic's grain handling and processing industry. Such overwhelming

power and influence by one

man on Ireland's agricultural

sector, pivotal to the country's economy, has caused concern

in many quarters.
His business methods, particularly highly secretive ways of

operating, have been ques-tioned. Unions and small farm-

ers' organisations have fre-

quently crossed swords with

Mr Goodman is said to be on very close terms with Mr

Charles Haughey, the Prime Minister, and his governing Fianna Fail party. Questions continue to be asked as to the method by which Mr Good-

man's companies are granted export subsidies by the Irish Government on behalf of the

Last year Mr Goodman

announced an I£260m invest-

ment plan which would create

more than 600 jobs at meat pro-

cessing plants around Ireland.

Considerable Government

Poor response for Rodamco offer

companies, traditionally the

weakest area of activity, have

One of the early attempts at diversification - into stationery distribution in the UK -

has not been entirely success

eased the financial constraints on Tootal. It has already used

the proceeds to increase its

involvement in the profitable

area of non-woven, or high

tech, textiles and to finance

new ventures in China. It now

plans to expand its clothing

resilient. It boosted pre-tax

months to September 30. The City expects a further increase

Tootal could be in the happy

for weathering the storm in UK textiles and concentrating on a

search for new acquisitions. Instead, it faces the threat of an unsolicited bid from Mr

Goldberg: or from whomever else he might sell his holding

with the bidder's financial

the first time on Wednesday,

saw each other again yester-day, with a further meeting

However, it was unlikely that the Carless board would

second defence document,

which is expected to include a

profits forecast. It said the

level of acceptances high-lighted the inadequacies of Wardle's current offer.

Armstrong's shares closed 2p up at 164p after the announcement yesterday, 9p higher than the value attributed to them by Wardle's offer of three of its own shares and 640p in cash

valid cover under takeover rules. In the face of active trading over the last two days, the market has come to assume

that Iceland will have picked

up enough shares to secure a controlling interest.

controlling interest.

Iceland's shares, which it is feared may fall if the Bejam offer goes through, closed Ip down at 309p yesterday.

Bejam's shares were unchanged at 174p, some 13p below the value attributed to them.

them by the all-share bid.

en Group ... Howden Group
R.E.A.
Thorrison Oriental
Plante
Alexanders Holdinge
Allied Textile
London Scottleh Bank
Spice

place in a cordial spirit.

after the New Year break.

The advisers, having met for

arrangements"

Wardle extends its £82m

WARDLE STOREYS, plastic 116,425 to 707,218 since the first

products and security equip- closing date on December 13.

ment group, yesterday Armstrong said it would post extended its £22m hostile offer to shareholders this week a

offer for Armstrong

position of congratulating its

But a recent rights issue has

# Mr Textiles picks up the threads

Alice Rawsthorn looks at Abe Goldberg's fresh assault on Tootal

HREE YEARS ago the board of Tootal, the textile group, breathed a deep, deep sigh of relief when it emerged victorious from a bitterly fought bid battle against Mr Abe Goldberg, the Mr Textiles" of Australia.

Tootal now faces the threat of a renewed battle with Mr Goldberg. He has been buying the group's shares anonymously since early November. At the end of last week, it emerged that he had amassed a holding of over 9 per cent.

Tootal has had no formal contact with Mr Goldberg since December 1985 when he sold the 29.9 per cent stake he had acquired during his unsuccessful bid and relinquished his seat on the board.

Mr Goldberg then returned to Australia and to his textile and mining interests. Tootal concentrated on completing the reorganisation of its activities under a new management team headed by Mr Geoffrey Maddrell, who joined from

Bowater Scott early in 1986. This autumn Mr Goldberg returned to Tootal. Its shares, like those of all the major UK textile groups, have performed poorly in 1988, reflecting the problems of the textile industry, which has been hit by a sudden surge of imports. From time to time all the major groups were clouded by

hid speculation. Tootal was no exception. On an autumn visit to London, Mr Goldberg heard rumours that DMC - an ambitious French textile concern that has been mooted as a potential predator for a string of companies, from Dominion in Canada to Dawson in Scot-

The costs of reorganising sites

at Slough and Swindon cut

deeply into the profits of Flex-ello Castors & Wheels for the year ended September 30.

After taking account of

exceptional expenses amounting to £489,000, profits at the pre-tax level fell from £752,961 to £329,535. The dividend for

the year, however, is being lifted from 4.5p to 4.9p via a

Turnover expanded by

almost £1m to £14.46m. Tax

was cut to £121,189 (£302,922)

and earnings per share

emerged 7.3p down at 6.3p.

Reorganisation

hits Flexello

final of 3.4p.

land - was considering a bid for Tootal.

He instructed Cazenove, which acted as his broker in the abortive 1985 hid, to buy Tootal shares. By the time he was obliged, under terms of the Companies Act, to declare his holding - five working days after his stake had reached 5 per cent - he had spent about £28m on a 9.22 per cent stake in Tootal.

Mr Goldberg claims he has "not yet decided" whether or not to mount a second bid for Tootal. He says that he plans to contact the Tootal board and will then consider his position. The London analysts, who have been attempting to

unravel the twists and turns in the reshuffling of his Australian interests, suspect that he may find it hard to finance a bid for the group. Tootal is now capitalised at over £350m, compared with the £128m that he offered in 1985.

But Mr Goldberg has a wide range of interests in Australia including Linter, the largest textile group in the country. His associates claim that funds would be made available, should he stage a bid.

Yet Tootal is in a stronger position than when it first tus-sled with its Australian adversary three years ago. It was then in the final threes of restructuring after the damage wrought by the recession of

the early 1980s.

All the major UK textile groups suffered in the recession. But Tootal – the creation of a motley assortment of textile mergers in the 1980s and 1970s – suffered more than the restructuring was most. Its restructuring was

THE LONG-RUNNING tussle

between Kelt Energy and its bid target, Carless, the larger oil independent, failed to reach

its denouement yesterday,

when Carless directors said that they had asked their

advisers to clarify certain mat-

The board, which met yesterday morning, said that it would advise shareholders

what to do once these discus-

The Kelt offer was declared

wholly unconditional earlier

ters with the predator.

sions had been concluded

U.S. \$100,000,000

Floating Rate Participation Certificates Due 1992

issued by Morgan Guaranty GmbH for the purpose of

making a loan to

Istituto per lo Sviluppo Economico

dell'Italia Meridionale (a statutory body of the Republic of Italy incorporated under Law No. 298 of April 11, 1953)

In accordance with the terms and conditions of the

Certificates, the rate of interest for the Interest Determination Period 30th December, 1988 to 31st January, 1989 has been fixed at 9%%. Interest accrued for the above

period and payable on 31st January, 1989 will amount to US\$85.56 per US\$10,000 Certificate.

Total interest payable value 31st January, 1989 will amount to US\$468.12 per US\$10,000 Certificate.

Agent

Morgan Guaranty Trust Company of New York

London Branch

Notice to Holders

DINSONICS

61/2% Convertible

Subordinated Debentures

Due 2001

On July 20, 1988, the Board of Directors of Diasonics, Inc. declared a

dividend of one one-hundredth of a share of Series A Junior Participating

Preferred Stock (a "Share Purchase Right") for each outstanding share

of common stock of the Company. The dividend was payable on August

I, 1988 to stockholders of record on that date. Such Share Purchase Rights,

if then outstanding, will be available to Holders of Debentures upon

Tootai Group

scarred by savage cuts and clo-

1984 85 86 87 88

20

in 1985, when Mr Goldberg pounced, the worst of the cuts were over. But the prospects for Tootal's surviving interests — its international sewing thread businesses and UK textile companies — were somewhat pedestrian. The group was also burdened by hefty borrowings. It staved off Mr Goldberg chiefly thanks to the last minute intervention of J. Rothschild Holdings, the investment company con-trolled by Mr Jacob Rothschild. Tootal is now in better

shape. Mr Maddrell is one of the cadre of business school strategists who have remoulded UK manufacturing in the 1980s. Even his critics, who complain that his management style is unimaginative, accept that he has added a sorely needed strategy to Too-

tal.
The group's thread interests have been expanded by the

Carless prolongs its Kelt tussle

this week, and the bidder has said that its cash alternative

would be closed off on January

Elaborating on the state-ment, Carless' advisers, Ham-bro Magan, said that the mat-ters involved included Kelt's

intentions towards "employees,

options, pensioners" and simi-lar topics. They added that the

Carless directors also wanted

to be "reasonably comfortable

for Armstrong Equipment, car

teners group, until January 18,

having received acceptances in respect of just 3.85 per cent of

the shares.

Of the 2.05m ordinary shares for which valid acceptances have been received, 1.34m are

held by an associate of Wardle. The number of shares in other hands which have been validly

HOPES WERE running high last night at Iceland Frozen Foods that today's 1pm closing deadline would clinch victory

for its long-running £234m takeover bid for Bejam Group.

N.M. Rothschild, Iceland's

adviser, said it was "growingly optimistic" of success after fur-

ther share purchases and a

large number of acceptances. These were still being checked-

but it expected to make an announcement before the

weekend and possibly this

Iceland moved a hair's

breadth from victory just

The following companies have notified dates of board meetings to the Stock Exchange. Should be the purpose of considering dividends. Official indications are not available as to whether the dividends are intering or times and the subdividends shown below are based mainly on last were immediate.

Merin- Poyal Trust Collar Income Fund.

By Clare Pearson

assented has increased by for every 16.

**Iceland senses victory** 

**BOARD MEETINGS** 

County **NatWest** splits with **Blue Arrow** 

By David Waller

been strengthened by the acquisition of Standard Coosa-BLUE ARROW and County The central tenet of Mr Maddrell's strategy has been to use the cash generated by thread to increase Tootal's involvement in areas of higher quality earnings than traditional tex-

> said together with Blue Arrow it had reviewed its position after Lord Young's amounce-ment on December 19. They had agreed that in view of the bank's position as a major shareholder it should stand down as the main financial

County was available to answer questions yesterday, although it is thought that County's commitment not to sell its stake before August next year will still

133p.

due today. Both sides agreed that discussions were taking Textron. large conglomerate, now controls 44.2 per cent of Avdel, fasteners group, for which it is making a £125m offer, following the acquisition of 200,000 shares and the exercise by Avdel directors of certain share options and the assent-ing of them to the offer. Banner Industries, a rival bidder, owns 42.7 per cent.

> Humberside Electronic shares to be suspended pend-ing an announcement. At the suspension price of 18p, the USM-quoted machine tool
>
> the respective share chares.
>
> However, Rodamco itself already owns 545,000 ordinary shares and 6.87m of the "A"

camp described the level of acceptances as unsurprising but "quite

Since the bid was announced

company, announced that it controlled around 3 per cent of the Hammerson share price has remained well in excess of

market is now awaiting news of the up-to-date asset valuation from Hammerson which it is required to release by day 39 of the

Rodamco's offer price, and the

NOTICE OF REDEMPTION AND PURCHASE PROVINCE OF NOVA SCOTIA: 11145 DEBENTURES - DUE 1991

174% DESISTATIONS - DUE 1997.

Pursuant to paragraph 5b "Redensption and Purchase" of the Terms and Conditions of the Bonds, notice is hersby given that Province of Neva Scotla will redeem, on February 1st, 1988, the total remaining outstanding amount of the above mentioned Bonds at 1001/2% of their principal amount. Payment of principal, premium and

interest will cause to accrue on Bonda as from February 1st, 1989. Deted; 30th December, 1968. PRINCIPAL PAYING AGENT BANK OF NOVA SCOTIA LONDON

The Republic of Trinidad and Tobago U.S \$50,000,000 Floating Rate Notes due 1990 In accordance with the pro-

visions of the Notes, notice is hereby given that the Rate of Interest for the next interest 911/2% per annum. The Cou-pon Amount of U.S. \$489.76 will be payable on 28th June 1989 against surrender of Coupon No. 12

Bankers Bust Company London Agent Bank

CITICORP U.S. \$500,000,000 Subordinated Floating Rate Notes Due October 25, 2005

Notice is hereby given that the Rate of Interest has been fixed at 9.725% and that the interest payable on the relevant Interest Payment Date January 31, 1989 against Coupon No. 39 in respect of US\$10,000 nominal of the Notes will be US\$86.44.

December 30, 1988, London
By: Gribank, N.A. (CSSI Dept.), Agent Bank

CITIBANCE

Copenhagen Handelsbank A/S

(Incorporated in the Kingdom of Denmark with limited liability)

U.S. \$100,000,000 Subordinated Floating Rate Notes Due 2000

In accordance with the provisions of the Notes notice is hereby given that for the six months interest period from 30th December, 1988 to 30th June, 1989 the Notes will carry an interest Rate of 9%16% per annum. The interest payable on the relevant interest payment date, 30th June, 1989 will amount to U.S. \$483.44 per U.S. \$10,000 Note and U.S. \$12,085-94 per U.S. \$250,000 Note.

Morgan Guaranty Trust Company of New York, London Agent Bank

**Credit for Exports PLC** 

30 December 1988

i. b.

(Incorporated in England with limited liability)

U.S. \$155,000,000

Agent Bank

development of joint ventures in China: providing a source of low cost yarn. Its US thread

NatWest, investment panking arm of the National Westminster bank, have parted com-pany. Lazard Brothers has replaced County as the employment agency's princi-pal financial adviser.

The move comes nearly a fortnight after Lord Young, Secretary of State for Trade and Industry, ordered a Government investigation into the role County played in Blue Arrow's £659m takeover of Manpower, US employment agency, in the summer of

The parting was not unex-pected, given the embarrass-ment to Blue Arrow caused by the aftermath of the £837m rights issue to fund the acquisition. The issue flopped, leaving County with a 9.5 per cent stake in Blue Arrow.

A statement from County

At a time in which both Courtaulds and Coats Viyella face falling profits from tex-tiles, Tootal looks much more profits by 15 per cent to £19m on sales of £239m in the six to £47m for the full financial

No-one from Blue Arrow or

•Mr Tony Berry, chairman of Blue Arrow, was active elsewhere in the market yester-day. He increased his holding in Tottenham Hotspur football club by 400,000 shares, taking his holding to 7.86 per cent. The news prompted a spurt in the Tottenham share price, which ended the day 23p up at

Textron/Avdel

**Humberside Elec** 

Hammerson ordinary shares and 110,000 "A" shares - 0.003 per cent and 0.085 per cent of Controls has asked for its the respective share classes.

rebuilder is valued at £5.4m. Last night the Hammerson

Cambrian suitor lifts voting stake

ing a £57.9m offer for Cambrian & General Securites, the UK investment trust which was insider trader Mr Ivan Boesky, yesterday claimed control of 37

Leucadia National corporation, a US group making a 257.9m offer for Cambrian the first closing date on Wednesday in respect of 1.86m ordinary shares (4.1 per cent of that class) and 1.66m capital shares (10.8 per cent of that

With the bid temperature

not expected to heat up again until after the New Year break, Leucadia is extending its offer until January 12.

# before Christmas when it said it had acceptances covering 49.5 per cent of the shares, although not all of these had

once a vehicle for convicted US per cent of its target's voting rights. It already owns 18m Cam-

brian ordinary shares and 1m capital shares — in total, 31.23

# **National Provincial Building Society**

£200,000,000 Floating Rate Notes 1996 Notice is hereby given that the Rate of Interest has been fixed at 131/M p.a. and that the interest payable on the relevant Interest Payment Date 23rd March, 1989 against coupon No. 12 in respect of £5,000 nominal of the Notes will be £161.82 and in respect of £100,000 nominal of the Notes will be £3,236.30.



#### Diasonics, Inc. 280 Utah Avenue South San Francisco, California 94080

A\$50,000,000 Guaranteed Floating Rate Notes Due 1992 Unconditionally guaranteed by

MITSUI & CO. (AUSTRALIA) LIMITED

December 30, 1988, Landon
By: Cribank, N.A. (CSSI Dept.), Agent Bank

CITIBANCE

# U.S. \$500,000,000 Floating Rate Notes due 2005

of the Notes, notice is hereby given that for the Interest Period from December 30, 1988, to January 31, 1989, the Notes will carry an interest rate of 9%% per annum. The interest payable on the relevant interest payment date, January 31, 1969, will be U.S. \$86.11 per U.S. \$10,000 nominal amount in Bearer (Coupon No. 41) or Reg-istered form and U.S. \$2152.78 per U.S. \$250,000 denomination in Bearer form (Coupon No. 41).

. By: The Chase Manhattan Bagis, N.A. 0 Leaden, Agest Bank December 30, 1988 CHASE

U.S. \$100,000,000 National Bank of Detroit Floating Rate Subordinated Capital Notes due 1996

Notice is hereby given that in respect of the Interest Period from December 30, 1988 to March 30, 1989 the Notes will carry an Interest Pasie of 944% per annum. The coupon amount payable on March 30, 1989 will be U.S. \$239,06 per U.S. \$10,000 Note.

December 30, 1988

USS30,000,000
SECURED R.CATING RATE SERIAL NOTES
DUE 1994
New Role of Industrial 11% p.a.
Interest Poyment Dole Store 30, 1989,



Italex Limited (Incorporated in the Coyman Islands with limited Bability)

U.S. \$230,000,000

to 3 July 1989 has been established at 91/16 per cent. per annum. The interest payment date will be 3 July 1989. Payment, which will amount to US\$ 12,019.53 per Note, will be made against the

Agent Bank Morgan Grenfell & Co. Limited







In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 3 January 1989



MITSUI & CO. FINANCIAL SERVICES (AUSTRALIA) LTD.

Notice is hereby given that the Rate of Interest has been fixed at 14.868% p.a. and that the interest payable on the relevant Interest Payment Date, March 29, 1989 against Coupon No. 6 in respect of AS 10,000 nominal of the Notes will be A\$336.61.

The Republic of Italy

In accordance with the provisions

TRANSPORTACION MARTIMA MEXICANA, S.A. DE C.V.

By: The Chase Manhattan Benk, N.A. London, Agent Bank









Unsecured Floating Rate Notes due 1989 to 1992





Unsecured Floating Rate Notes due 1985 to 1992

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 3 January 1989 to 3 July 1989 has been established at 9%, per cent. per annum. The interest payment date will be 3 July 1989. Payment, which will amount to USS 480.78 per Note, will be made against the

Morgan Grenfell & Co. Limited

# US short rates anticipate tighter monetary policy

By Janet Bush in New York and Katherine Campbell and Norma Cohen in London

US TREASURY bonds also has a \$100m floater calla-yesterday traded in an hie in 1989, which it could extremely narrow range, scoring gains by mid-session of around a point along the yield curve, which remains inverted as short rates continue to anticipate a further tightening

DECEMBER 30 1999

Ty Goodman .

The state of the s

THE WASHINGTON

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in monetary policy.

The yield on the 8.5 per cent, bond due to mature in 1991 was bond due to mature in 1991 was quoted at 9.16 per cent at midsession while the yield on the 
Treasury's benchmark 30-year 
issue stood at 8.992 per cent. 
Trading was quiet yestenday 
with the dollar doing very littile. The currency was quoted 
at Y125.85 at mid-session compared with highs and lows of 
Y126.30 and Y125.125 respectively. Against the West Gertively. Against the West Ger-man D-Mark, it was quoted at DM1.7880, compared with an

earlier high of DM1.7956 and a low of DM1.7840. The high Fed funds rate is keeping an upward pressure on yields at the short end of the yield curve. Yesterday the mar-ket had to absorb an auction of \$7.25bn four-year notes after Monday's rather flat sale of two-year paper.

THE EUROBOND markets ended one of the most sluggish days of the year with trading rooms half-staffed and syndi-cate departments on skeleton crews. Dollar Eurobonds closed fractionally lower where changed but turnover was so light the price changes were

But the dollar's recent strength has concentrated the minds of syndicate officials on the new issues calendar for 1989 and the possibility of sev-eral jumbo dollar-denominated issues for sovereign borrowers.

If the dollar's strength remains, Belgium is expected to revive its plans for a \$400m Eurobond in early January, possibly using proceeds to call an existing floating rate Euro-bond callable in 1989. Belgium

refinance.

Market sources said that Belgium had tentatively assigned a mandate for a \$400m 10-year Rurobond with a put at five years and a call option at seven years, with placement of securities targeted into Japan.

#### INTERNATIONAL BONDS

The plans were rescinded in November when market conditions for dollar bonds soured.
But lead managers are said
to be lining up meetings with
several other sovereigns borrowers who have floating-rate notes either maturing or calla-ble in 1989. These securities can be refinanced more cheaply in fixed-rate funds and swapped into floating rates. Separately, a single new issue emerged yesterday, a Y12.5bn 4%-year bond for Crediop Finance, a unit of the Italian finance agency, Crediop. The bonds, guaranteed by the parent, carry a coupon of 5 per

cent and are priced at 101%.
In West Germany, bond
prices were virtually
unchanged in thin trading. The

new DM200m five-year Eurobond for Volkswagen Interna-tional Finance is still trading outside its fees.

UK GOVERNMENT bond traders get a half day off today since Liffe opted to close at since Liffe opted to close at midday in line with the cash market. Trading is likely to be even quieter than yesterday. One of the few perky markets was in Denmark. Although trading was largely confined to brokerage houses and banks, long bonds closed at year highs. The benchmark 20-year 9 per cant mortgage

20-year 9 per cent mortgage bond due 2006 closed at 98.45, and traders hinted that it might test the 99.00 level today. Yesterday's optimism sprang partly from local press reports that the Government was working on a package that might include wage cuts of 10 per cent and a 2 per cent reduction in income tex.

tion in income tax. In Sweden prices rose on some quite active buying. Some players were positioning themselves ahead of the turnover tax to be introduced in the New Year. The key fiveyear government bond ended to yield 10.84 per cent, some six basis points lower on the day.

### BENCHMARK GOVERNMENT BONDS

|             | Социов  | Dete  | Price    | Change | Yield | ago<br>week | ago<br>ago |
|-------------|---------|-------|----------|--------|-------|-------------|------------|
| UK GILTS    | 13.500  | 9/92  | 108-08   | -7/32  | 19.76 | 10.B4       | 11.00      |
|             | 8.750   | 9/97  | 92-04    | -6/32  | 10.13 | 10.08       | 10.22      |
|             | 9.000   | 10/08 | 97-23    | -5/32  | 9.25  | 9.20        | 9.18       |
| US TREASURY | 8.875   | 11/98 | 97-28    | +0/32  | 9.19  | 9.05        | 9,13       |
|             | 9.000   | 11/18 | 99-31    | +3/32  | 9.00  | 8.94        | 9.13       |
| JAPAN No 10 | 5 5.000 | 12/97 | 102,8040 | -0.001 | 4.56  | 4.49        | 4.57       |
| No          | 2 5.700 | 3/07  | 109.0680 | -0.001 | 4.77  | 4.75        | 4.86       |
| GERMANY     | 6.750   | 8/96  | 101.2000 | -      | 6.60  | 6.56        | 5.48       |
| FRANCE STA  | N 8.000 | 10/93 | 97.8476  | -0.037 | 8.60  | 8.60        | 8.56       |
| OA          | 7 9.600 | 5/98  | 104.9000 | -0.160 | 8.70  | 8.61        | 8.75       |
| GANADA      | 10.250  | 12/98 | 100.4500 | -0.175 | 10.17 | 10.09       | 10.13      |
| NETHERLANDS | 6.7500  | 10/98 | 101.5000 | -0.025 | 6.61  | 6.58        | 6.53       |
| AUSTRALIA   | 12.500  | 1/98  | 98.0080  | -0.001 | 12.87 | 12.90       | 12.46      |
|             |         |       |          |        |       |             |            |

London closing, "denouse New York morning session.

Yields: Local market standard. Prices: US, UK in 32nda., others in decimal

#### FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is

| US DOLLAR   |               |                     | a  | ا علاقتها        |             |                     |
|---|---------------|---------------------|--|------------------|-------------|---------------------|
|   | <b>Lineal</b> |                     | Me   | day 1            |             | YIM                 |
| Abbey National 712 92<br>A/S Eksport/Innes714 92              | 200<br>150    | 1931,<br>931,       | 44-6   | 10%              | HU-N        | 9.79<br>9.90        |
| B.F.C.E. 7 92   | 150           | 92%                 | 32.5   | 1078             | マネ          | 9.77                |
| Balo Tal Fin OL CR  | 250           | 975                 | 74.3   | ~8.              | -∧≥`        | 9.73                |
| Canada 9 96   | 1000          | . 98                | QRIA   | 102              | ΔĽ          | 9.33                |
| Brit, Tel. Fia. 9½ 98<br>Canada 9 96.<br>Canadian Pac 10¼ 93  | 100           | 98<br>11014<br>973  | 1025   |                  | - 6         | 10.13               |
| C.C.E 94 95   | 300           | 97%                 | 981  | Ō                | Č           | 9.65                |
| CCCE 94 95  | 150           | 98 L                | 994  | 484 -            | ЮΨ          | 6.62                |
| Credit Lyconals 9 91  | 200           | 198%                | 994  | 107<br>107       | ю4          | 9.57                |
| Credit National 84, 93  | 200           | 945                 | 954  | 10.              | Õ           | 9.74                |
| Credit National 74 92   | 100           | 934                 | 734  | +04              | _0          | 9.68                |
| Credit National 7 4 91  | 150           | 19312               | 207  | -024             |             | 9.77                |
| 0al-lchi Kan 95, 92   | 150<br>500    | 923                 |  | 10%              |             | 9.72<br>9.92        |
| Demmark 7% 92<br>E.E.C. 791                                   | 300           | 935                 |  |                  |             | 9.59                |
| E.E.C. 74 93  | 250           | ગુંદ                |  | 10.              |             |                     |
| E.E.C. 890  | 350           | 1974                | 97 L   | 77               | ň           | 9.72                |
| E.l.B. 74 93  | 100           | 917                 |  | 40¥ ·            |             | 9.69                |
| FIR 91 97   | 150           | 9812                |  |                  | n           | 0 58                |
| E.I.B. 93, 97<br>Elec De France 9 98                          | 200           | 95%                 | 965  | Ŏ-               | -04         | 9.64<br>9.76<br>9.8 |
| Finland 7% 97   | 200           | 8912                | 904  | 0.               | -04         | 9.76                |
| Finland 71/2 93   | 200           | 914                 |  |                  |             |                     |
| Flori Exp. Cd. 81- 92   | 200           | 964                 | 964  | +0+              | 0           | 9.80<br>9.92        |
| Ford Motor Credit 8 92  | 250           | 196                 | 96-2   | _0               | Đ           | 9.92                |
| Gen, Elec.Cap.Corp. 993                                       | 500           | 963                 | .97%   | +03=             | Ď           | 9.76                |
| Gen Elec Credit 104 00  | 200           |                     | 700 P  | 10-5             | _,0         | 10'13               |
| Gen Mtrs.Corp. 91e 92   | 200<br>200    | 984<br>1984         | 70-7   | +01g -           | X           | 9.65<br>9.93        |
| Hailfax BS 9 2 93   | 250           | 984                 | 70%  | +0% -            | Λì.         | 9.53                |
| IBM Credit Corp. 8% 91  | 1900          | 199                 | 207  | ~6               | ~7          | 9.43                |
| Italy 9 90  | 1000          | 984                 | 991  | +04              | OL.         | 9.70                |
| Raly 91 <sub>2</sub> 95<br>LB. Metual Cap. 91 <sub>2</sub> 93 | 150           | 1972                | 98   | 104              | ЮĽ          | 9.71                |
| LT.C.B of Japan 891   | 103           | 95%                 | 96   | 404i             | ā           | 9.88                |
| LT.C.B.of Japan 8 97  | 200           | 893                 | 894  | -Ó'e -           | -0½         | 9.95                |
| Metropolis Tokyo 9½ 93  | 200           | 9912                | 100  | +04 -            | -0 <b>%</b> | 9.57                |
| Moreova Guillandty 1 St. / YJ                                 | Ī50           | 1963                | 97%  | +0%              | 103         | 9.60                |
| Microsa Tel. & Tel. 9 % 98                                    | 250           | 97 z                |  | -04 -            |             | 9.73                |
| Norway 8 4, 93,   | 500           | 974                 | 975  | +0% -            | ю           | 9.52                |
| Portogal 84 91  | 300           | 197                 | 9712   | 102              | M.≱         | 9.64                |
| Prodential Crp. 81, 94  | 125           | 1964                | 7/4  | +07              | ~°          | 9.41<br>9.87        |
| Qantas Ainways 103, 95  | 140           | 1102<br>1021<br>971 | 105.2  | N.               |             | 9.81                |
| Saskatchewah 104 92   | 100           | 071                 | OR L   | 471 <u>.</u>     | AL.         | 9.85                |
| State Bk S Aust 94, 93<br>Senitomo Bank 95, 92                | 150           | 994                 | 202<br>200<br>200<br>200<br>200<br>200<br>200<br>200<br>200<br>200 | 104 .            | 7           | 9.80                |
| Swed Exp Cred 7 4 91  | 100           | 1934                | áá L   | +04: -<br>0<br>0 | ă           | 9.72                |
| Sweden 7 91   | 250           | 93 k                | 93 %   | -8½ -            | 01          | 9.71                |
| Sweden 7 92   | 250           | 1921                | 934  | +01e             | Ō           | 9.69                |
| Sweden 8 4, 96  | 200           | 954                 | 954  | +07-             | -04         | 9,63                |
| Species RIs 92  | 200           | 197%                | 97%  | Ŏ                | 0           | 9.27                |
| Uletanian Dec 115, 92   | 150           | 104%                | 105%   | 10%              | 104         | 9.75                |
| World Sank 7 92   | 300           | 1934                | 934  | +0.4             | M.F         | 9.52                |
| World Bank 9 97   | 300           | 964                 |  | +04              |             | 9.51<br>9.61        |
| World Bank 91, 98   | 300           |                     | 98   | +0 ta -<br>0 -   | -01-E       | 9.94                |
| Yasaria Trest Flo 81 <sub>2</sub> 93                          | 100           | 174-E               | - 65   | wk ()            | -4          | J. 74               |
|   |               |                     |  |                  |             |                     |

| Average price chang                  | e (N)  | day +0 | , on 1 | reek O | - •      |            |
|--------------------------------------|--------|--------|--------|--------|----------|------------|
| DEUTSCHE MARK                        |        |        |        | mage t |          |            |
| STRAIGHTS                            | Report |        | आस     | 400    | <b>T</b> | 197        |
| Asian Der. BK. 6 94                  | . 200  | 1014   | 1025   | 91     | 7.5      | 2.5        |
| Ark Fla SVS 52 92                    | 100    | 1200%  |        |        |          | 5.5        |
| Real of Takes 5-k 93                 | . 100  |        |        |        |          |            |
| Central BK, Turkey / Yamman          | 200    | 1104   | 104.5  | 404 4  | 10.46    | 5.7        |
| Commerchank c/s. >3 43               | ناتاد  | 1700   | 700.4  | 0-     | 25       | 5.5<br>5.6 |
| Denessa Int. 64, 97                  | . 200  | 1012   | 102    | 10%    | 4        |            |
| E[B 512 98                           | . 150  | 455    | 70.4   | 0+     | ~4       | 6.0        |
| E.I.B 6 97                           | . 300  |        | 991    |        | Λ.Ο      |            |
| E.L.B. 64 96                         | 300    | 1004   | 100.4  | Ō-     | 44       | 6.0        |
| E.L.B. 64 97                         | 400    |        |        | 0-     |          | 6.0        |
| CID 4% OK                            | . 333  | 1044   | 105    |        | 9        | 6.0        |
| Euro, Coald Steel 5% 97              | . 175  | 484    |        | -04-   | u-e      | 33<br>55   |
| EDMINIA ON YOUR SHARE                |        | 104    | TO 1   | +1.4   | +3       | 5.9        |
| Elec De France 54, 97                | 300    | - 90   | , ye., | -04    | ۸.5      | 5.5        |
| Foremark Krtg. 51, 93                | 200    | 984    | 90-4   | -04 -  | 7.5      | 6.0        |
| IAT R 697                            | 200    |        | .77.3  | -0¼ -  | 7.       | 5.4        |
| Januari Dev. Bk. 5% 95               | . 300  | 1994   | 1004   | 0.4    | CATA     | 6.1        |
| been Finance 5th 97                  | 100    |        | .7/3   | -04 -  | 77       | 6.7        |
| ireland 6-2 97                       |        | 1101 🖟 | 100.5  | 777    | 7        | 6.1        |
| Majorcia 64 99                       |        | 77.5   | 700.2  | 407. 4 | ΔĽ       | 6.2        |
| Max West BK, PLCO 35                 | 200    | 17/ 7  | 1007   | +04 +  | 4.       |            |
| N W   Finance 6 % 92                 | 200    | 1100   | 100.3  | ~~     |          | 5.9        |
| Minner Tele & Tel. 6 95              | 400    | TIUZ   | ~~~    | 0-     | 7.7      | 5.2        |
| Oesters, Kontisk 5 95                | - 200  | . 987  | 377    | 70.00  | X        | 5.4        |
| Portagal 54 92                       | 150    | 7003   | 101.3  | +03 1  | 7        | 6.1        |
| Portugal 6% 95.,                     | 120    | 1024   | 100%   | .01    | 74       | 5.7        |
| Privathonker 5 4 93                  | הכד    | 974    | .25.5  | -04    | ٠.٠      | 32         |
| Royal Insurance 512 92               |        | 1200%  | 100 %  |        | Y.       |            |
| Soc Cent Nuclear 74 95               | טכב    | 1047   | 1054   | -04 -  | 44       | 6.3        |
| Turkey 612 95                        | 500    | +97    | 98     | -04 -  | U4.      | 6.9        |
| Westib. Finance 5 93                 | 200    | 198%   | 994    | 04     | O-       | 5.2        |
| World BK. 64 97                      | aw     | 100%   | 101 ½  | ø      | 0        | 5.9        |
| MOUND DIC day at an overell section. | ∞ Оп   | day 0  | OR WEE | k +0   |          |            |

| World BK. 64 97            | 90 On   | day 0           | 02 MG  | ak +0 | •     |       |
|----------------------------|---------|-----------------|--------|-------|-------|-------|
|                            |         |                 | •      |       |       |       |
| STRAIGHTS                  | Secured |                 | Offer  | day   | -     | Tiess |
| African Dev. Bk. 596       | 150     | 1200%           | 101    | -04   | 104   | 4.80  |
| Asheng 5 03,               | 100     | +1.00           | 100 to | -04   | -04   | 4.77  |
| PS (620 2 02),             |         | 1903            | 984    | U     | u     | 4.00  |
| B.F.C.E. 419 98            | 160     | +06             | 97     |       | +1    | 2,48  |
| B. M. W. Fin. Neth. 513    |         | 404.1           | 971    | 9     | a     | 4.83  |
| Ortannia B/5. 414 94       |         | 195             | ~2     | n.i.  | -05   | 4.16  |
| 70 let W/W 3 73            | رس ر    | 197             | 671.   |       | -02-  | 5.08  |
| Credit Lyonanis 4% 90      | 100     | 17/             | 7/ 1   | ~7    | 7.5   | 4 72  |
| C ! R &L 91                | بحد .   | 199             | 22.5   |       | 70.5  | 7.13  |
| Fletcher Chalf. 4% 98      |         | 196 2           | 97     | -04   | ᄬ     | 7.36  |
| Kobe City 45, 98           | 160     | +98             | GH L   | u     | u     | 4,01  |
| Kope City 438 70           | 200     | +07 l-          | •      | u     | 4045  | 9.71  |
| Leets Perm. B/S. 41s 93    | 700     | +001            | 99     | -0-   | u     | 3.46  |
| Malaysia 54 98             | 165     | 45/51           | mi.    | -04   | 404   | 9.77  |
| Maxwell Comm. Crp. 5 95    | 724     | 1964            | -60.5  | _ňı   | +124  | 5.83  |
| Name Rik. Humonry 54: 94   |         | 196             | 04.1   | -01-  |       | 4 95  |
| Nationwide Ang. B/S. 493   | 200     | 770             | 70.5   | ~4    | ž     | 7.45  |
| Misson Telg. & Tel. 4 4 95 | 200     | 1983            | 7      | ŭ     |       | 7.77  |
| Oesters Kilik. 503         | 75      | 41 <i>6</i> 65£ | 101    | u     | HI4   | 9.74  |
| ORDERS RUN. J UJ E 02      | 160     | -100 -          | TOOL   |       | u     | -     |
| Prov. New Foundland 5 03   | ~~^     | LOK-L           |        | 403   | 41344 | 3.71  |
| Theliand 4% 95             | 160     | †100            | 1007   | -04   | 40¥   | 4.98  |
| Wasia Rank 5 03            | محت     |                 |        |       | n     |       |

| s ap | adequate secondary marks | it.<br>Clo   | sing p |       | nt Dec | ember 29  |
|------|--------------------------|--------------|--------|-------|--------|-----------|
| •    | YEN STRAIGHTS            | <b>Towed</b> | Bid    | Offer | day w  | est Yield |
|      | Belgism 54 92            | 55           |        | 1025  |        | 0 4.70    |
| •    | Belgion 45 94            | 45           |        | 983   | ŏ      | 0 4.91    |
| ,    | Canada 41, 92            |              |        | 991   | ŏ      | 0 4.60    |
|      | Elec. De France 51 94    | 26           | 1611   | 1012  |        | 0 4.84    |
| í .  | freiand 54 95            | 36           | 1001   | 1001  | 0      | 0 4.99    |
| í    | Norway 514 95            |              |        | 101%  | ŏ      | 0 4.88    |
| í    | Rep. of Haly 54, 92      | 150          | 103%   |       | ň      | 0 4.52    |
| •    | Sweden 41, 93            | 50           |        | 994   | 8.     | 0 4.75    |
| ;    | World Bank 512 92        | . 5Ö         |        | 1034  | ŏ      | 0 4.56    |
|      | Average price class      |              |        |       |        | - 1.55    |
| ;    |                          |              |        | Ch    | ه بوجه | •         |

| 3 7.77 |  |        |              |              | ᇁ           | =-         | w.        |
|--------|--|--------|--------------|--------------|-------------|------------|-----------|
| 9.72   | OTHER STRAIGHTS                                | Issued | #Hd          | Me           | <b>.</b>    | -          | 11        |
| 9.92   | Abbey Nat_BS.104 93 £                          | 50     | 984          | 983          | 0           | -04        |           |
| 9.59   | Alg. Bk. Ned. 5½ 92 FL                         | 150    |              | 993          | 0           |            | 5         |
| 9.69   | Alg. Bk, Ned. 54, 93 Fl                        | 200    |              | 992          | 0           |            | 1 6       |
| 9.72   | Artero Bank 6 4 92 FL                          | 150    | 101本         | 102          | . 0         | +04        | . 5       |
| 9.69   | Aust Ind Dev. 12% 93AS                         | 100    | 96%          | 964          | 404         | +0%        | 13        |
| 9.58   | Barc. Bk, 10 4 97 £                            |        | 953          | 95%          | +0%         | -01        | īī        |
| 9.64   | Barciays Ans. 131, 91 AS                       | 100    |              | 1004         |             | +04        | 73        |
|        | DR Control Of Co C                             | 100    |              |              |             | Õ          |           |
| 9.76   | BP Capital 9 % 93 £<br>British Airways 10 98 £ | 100    | 924          | 924          |             |            | ii        |
| 9.68   | RLLCRU VEANGAS TO AD S                         | 100    | 724          | 724          | v           | _0         | ··        |
| 9.80   | Buhrmann-Tel. 6% 93 FL                         | TOO    | 100%<br>96%  | mi #         | Ų           | -04<br>+04 | - 5       |
| 9.92   | Comm. Bk. Anst. 125 9345                       | 100    | 964          | 963          | 9           | 104        | بد        |
| 9.76   | Cross,Ctr.,Rabo.6 & 93 Fl                      | . 100  | 1004         | 1005         | 0           | -04        | - 6       |
| 10.19  | Coop.Ctr.Rabo.6 92 FL                          | . 200  | 100,4        | 70017        | -04         | -04        | 5         |
| 9.65   | Denmark 74 92 ECU                              | 100    | 100½<br>100½ | 101          | ō           | . 0        | 7         |
| 9.93   | Divors 11 95 C                                 | 90     | 196          | 963          | Ō           | Ō          | щ         |
| 9.53   | Dent. Bk. Aust. 121, 95 AS                     | 76     | 100          | 1001         | 40Ľ         | 401        | 17        |
|        | Eastman Kodak 13 90 AS                         | . 100  | 97 L         | 974          | TUT.        | 105        | 14        |
| 9.43   | CARLOR NOOF LOTO PARTIES                       | 100    | 198          |              | 70.4        | 70         | -3        |
| 9.70   | E.L.B. 796 LFr                                 | 125    | 170          | 9912         |             |            | <b>`.</b> |
| 9.71   | Elec. France 101, 95 C\$                       |        |              |              |             |            |           |
| 9.88   | Euratom 74 97 ECU                              | 145    |              | 101          | 0           | 0          | '.≅       |
| 9.95   | Fed. Bus. Dv. Bk. 93, 92 CS                    | _75    | 1974         | 974          | <b>+0 4</b> | 10,4       | 70        |
| 9.57   | Ford Cr.Can_10* 93 CS                          | 100    | †100         | 100½         | +0%         | 403        | 10        |
| 9.60   | Gillette Car. 9% 93 £                          | . 70   | 924          | 92%          | +04         | -03        | 11        |
| 9.73   | G.M.A.C. 94 93 CS                              | 150    | 1964         | 96¥.         | +0%         | +0%        | 10        |
| 9.52   | G.M.A.C Aus. Fin. 14 90 AS                     | 50     | 100%         | 100%         | Ò           | +01/2      | 13        |
| 9.64   | Halifax BS 10% 97 £                            |        | 953          | 95%          | 404         | -84        | 12        |
| 9.41   | trap Chem Inds 10 03 £                         |        |              | 934          |             | -04        |           |
| 9.87   | key, Industry Int. 10 93 S                     | 60     | - O.         | 964          | ă           | -014       | 77        |
|        | Licytis Bank 104 98 £                          | 150    | arii.        | 944          | ഫ്          | -62        | 77        |
| 9.81   | Lloyds Bank 11 % 98 £                          |        | 250          | 991          | 101         | 701        | ***       |
| 9.85   |  |        | 707          | 777          | 77.9        | 72.7       | **        |
| 9.80   | Montreal Tst. 10 % 93 CS                       |        | 1991         | 77.4         |             |            |           |
| 9.72   | Nat. West Bk.134 92 AS                         |        | 19912        |              |             |            |           |
| 9.71   | Matlomvide BS 10 4 93 £                        | 75     | 76 %         | 96 ½         | Đ           | -04        | 'n        |
| 9,69   | Ned. M1dd. Bank 6 92 Fl                        | 150    | 1004<br>944  | 100%         | 0           | +04        | _5        |
| 9.63   | New Zealand 912 93 E                           | 100    | 944          | 944          | 0           | -04        | ш         |
| 9.27   | Mare Zealand 74, 93 EGU                        | 200    | 1971<br>1014 | 984          | _           | _          | 8         |
| 9.75   | Desters, Kithk. 13% 94 AS                      | 75     | 1014         | 1012         | 9           | +014       | 13        |
| 9,52   | Philips Gleoli. 6 93 FL                        | 300    | 991          | 995          | a           | +04        | 6.        |
| 9.51   | Prodential Fin.93 07 £                         | . 150  | 188          | 8812         | B           | -032       | 10        |
| 9.61   | Royal Bk Scot.10 5 98 5                        |        | 954          | 954          | ă           | -04        |           |
|        | Seskatchenan 9% 91 CS                          | 150    |              | 9812         |             |            |           |
| 9.94   | Saskatchewan 104 93                            | 200    | 98½          | -34          |             | 10         |           |
|        | CORPUSED NA TONI                               |        |              | 9912         | ~~₹         | ~10        | -4        |
|        | S.D.R. 74, 95 EGU                              | 150    | 177          | 772          | ,,          | -21        | - 4       |
|        | Union Bk. Saitz, 732 93                        | 720    | TILL         | 101 ½<br>99% | ᢇᄹ          | ~4         | . £       |
| Yield  | World Bank 54 92 FL                            | 100    | 77.4         | - 777        |             |            |           |
| 5.60   | World Bank 133 92 AS                           | 700    | 1004         | TOTAL        | +04         | *1.4       | 13        |

| TSCHE MARK           |             | Change              |                      | ī   |
|----------------------|-------------|---------------------|----------------------|-----|
| VIGHTS               | lgued Sid   | Offer day           | week Yield           | 1   |
| Der. BK. 6 94        | 200 1013    | 1023 0              | +03, 5.60            | •   |
| Fla SVS 5 % 92       | 100 +100%   | 1014 0              | -04 5.5L             | 2   |
| of Tokyo 5-4; 93     | 100 -       | . ~ -               |                      |     |
| al BK. Turkey 7 92   | 200 tl04    | 4 104월 +64          | +01/2 5.70           |     |
| merzbank o/s. 53, 93 | 300 1100    | <b>ስ100%</b> 0      | I-04, 5.34           |     |
| se int 61, 97        | 200 1015    | 1024 404            | +0% 5.82             | 4   |
| 51, 98               | 150 955     | 964 0               | +014 6.07            |     |
| 697                  | 300 9       | 994,-04             | 0 6.10               |     |
| . 6 kg 96            | 300 1004    | 100% 0              | -04 6.03             | 9   |
| 64 97                | 400 99%     | 100 % 0             | -04 6.10             | 9   |
| . 64 95              | 300 1044    | 105 0               |                      | . 9 |
| Coal& Steel 5% 97    | 175 984     | 99-04               | -012 6.09            |     |
| fima 64 96           | 100 104     | 1044, +14           | +3 55                | 1   |
| De France 54 97      | 300 9       | 3 984, -04          | 0 5.99               |     |
| mark Krts. 54 93     | 200 984     | 984 -04             | -04 553              | į   |
| R 697                | 200 994     | 994 -04             | -0- 6.07             |     |
| n Dev. Bk. 53, 95    |             | 1004 0              | +04 5.42             |     |
| p Figure 54, 97      | 100 97      | 7 974 -04           | -01 6.17<br>+01 6.28 |     |
| nd Alb 97            | 300 7101 4  | 101 5 +0            |                      |     |
| weis 64 94           | 150 223     | 1005 0              |                      | S   |
| West BK. PLC 0 98    | 300 TY/     | 98½ +0¼<br>100¼ -0¾ | -04 6.22             |     |
| _ Finance 64 95      | 200 110     | 1100-2              | -01 5.93             | •   |
| on Telg.&Tel. 6 95   | 400 tl02    |                     |                      |     |
| rs. Kontik, 5 93     | 300 964     | 994 -04             |                      | •   |
| mai 54 92            | 120 1003    | 1014 +04            | +02 6.10             | Ī   |
| Gal 65, 95           | 150 1027    | 1031                |                      | ī   |
| nbooken 5 to 93      | 150 974     | 98 - 01             |                      | Ä   |
| leggrance 5½ 92      | 300 1100 1  | 200 4 0             |                      | Ã   |
| ent Muclear 7 & 95   | 150 1045    | 1054 -04            |                      | 7   |
| w 61- 95             | 500 197     | 98-04               | -04 6.99             | Ĉ   |
| in. Finance 5 93     | 200 1983    | , 994, 0            | +04 5.20             |     |
| . av 41. 07          | 600 1007    | 101 2 0             | 0 5.99               | . 6 |
| O DA. 494 77         | e, On day O | OE Meek +0          |                      | 5   |

| World BK. 64 97   | 400     | 100%   | 1014      |         |      | 5.99  |
|---|---------|--------|-----------|---------|------|-------|
| World BK. 64 97   | ow      | 200-4  |           |         |      |       |
| Motio RK. 04 77   | e On    | GEN O  | ON 100    | # TU    |      |       |
| Manufa Little -   |         |        |           |         |      |       |
|   |         |        | -         | الأوووا |      |       |
| SWISS FRANC   |         | Mid    | -         | 4       |      | Yield |
|   | Birmen. |        | Atlet     | 777     | 101  | 4 05  |
| African Der, Bk. 596  | 150     | 11004  | 1111      | -04     | 104  | 4.63  |
| William Der Der 3 Jentimmun.  | 100     | +100   | 1004      | -04     | -04  | 4.99  |
| Asriesg 5 03  |         | -101-  | -661      | - 6     | Ī    | 4 68  |
| B.F.C.E 412 98  | 200     | 120-5  | 984<br>97 |         |      | = 24  |
| B.M. W. Fin. Neth. 5 13   | 150     | 176    | 47        |         | 71   | 3,40  |
| C.M. ST. PHILIPPAL DE   | 100     | 101.   | 97 L      | 0       | • 0  | 4.83  |
| Britannia 8/5. 4% 94  | 125     | 195    | - 62      | _DI     | -05  | 4.16  |
| CIR. Int. W/W 3 93  | رعد     | 139    | ~~~~      |         | -01  | E AR  |
| Credit Lyonanis 44, 90  | 100     | 197    | 7/4       | 737     | -0-4 | 2.55  |
| Chesis Phonesis 4-2 Agreement   | 150     | 199    | 994       | U       | -0-3 | 4.14  |
| E.I.B 4% 90   | 150     | 404.5  | 97        | -01-    | -04  | 5.32  |
| Fletcher Chall. 4% 98   | 230     | 170-2  | "         | - 7     |      | 4.87  |
| Kobe City 45, 98  | 150     | 198    | 70.4      | ·       |      |       |
| FOODE PLEA AND AND THE PERSON NAMED IN COLUMN | 200     | 1971-  | 98        | . 0     | 1012 | 4.71  |
| Look Perm. B/S. 416 93  | 100     |        | 90        | _01_    | a    | 5.42  |
| Moissela 54 98  | 100     | 170-2  | 2027      | 27      | -402 |       |
| Maxwell Comm.Crp. 5 95  | 150     | 1101   | Time 4    | ~9      | 704  | 7:44  |
| Maximal Collect of by a variance  | 75      | 1984   | 484       | -04     | 104  | حمد   |
| Nat. Bk. Hungary 512 94   | 200     | 196    | 94.14     | -01-    | a    | 4.95  |
| Nationwide Ang. B/S. 493  | 200     | 170    |           | - 7     |      | 4.49  |
| Nippon Telg.&Tel.4 4 95   | 200     | 198 2  | 70.5      | y.      |      |       |
| MADON INTO STATE AND  | 75:     | 1100%  | 101       | u       | 404  | 4.91  |
| Oesters Kthk. 5 03  | -60     | 1002   | 1001      | 0       |      | 4.94  |
| Prov. New Foundland 5 03  | ועכנ    | -W-7   | ~~~~      | 101     | -AL  | 534   |
| The land 4% 95  | 200     | 1954   | 10-4      | +0.4    | 70-3 |       |
| [ 100 1500 a.d. 15; 1444 (1444)   | 150     | t100   | 1004      | -04     | +04  | 4.75  |
| World Bank 5 03   | ~       | by -64 |           | net 4   | Ð    |       |
|   |         |        |           |         |      |       |

| 3  | treland 54 93  | 30         | 1004   | 1001       | Ō             |       | 4.99          |
|----|--|------------|--|------------|---------------|-------|---------------|
| 3  | Norway 54, 95<br>Rep. of Italy 54, 92                      | _50        | 1014   | 1017       | Ō             |       | 4.88          |
| 5  | Rep. of Italy 54, 92                                       | 150        | 1035   | 1035       | Õ             | Ō     | 4.52          |
| 2  | Sweden 41 93   | 50         | 99%  | 99%        | 0             |       | 4.75          |
| ?  | Sweden 41 <sub>2</sub> 93<br>World Bank 51 <sub>2</sub> 92 | 50         | 103  | 1034       | 0             | O     | 4.56          |
| ŧ  | Average price chang  | je Qr      | a day O  | OH WE      | ek D          |       |               |
| •  |  |            |  |            |               |       |               |
| ,  |  |            |  | a          | ange e        | •     |               |
| 2  | OTHER STRAIGHTS  | 2000       | #Hd  | <b>Min</b> | agy a         | retik | YHH           |
| 2  | Abbey Nat_BS.104 93 £                                      | 50         |  | 983        | D-            | -0-F  | 10.70         |
| •  | Alg. Bk. Ned. 512 92 FL                                    | 150        | 987  | 99%        | D             | ō     | 5.85<br>6.05  |
| •  | Alg. Bk, Ned. 54, 93 Fl                                    | 200        | 984  | 992        | 0             | 0     | 6.05          |
| 2  | Arero Bank 64, 92 FL                                       | 150        | 101%   | 102        | _ 0 -         | 104   | 5,73          |
|    | Arst.Ind.Dev. 12% 93AS<br>Barc. Bk. 10% 97 E               | 100        | 96%  | 964        | +0% -         | Ю4,   | 13.90         |
| 3  | Barc. Bk. 104 97 £   | 250        | 95 h   | 95%        | +04           | -04   | 11.04         |
| i  | Barciaus Ans. 131- 91 AS                                   | 100        | 994  | ₹00¥       | +0½           | Ю4.   | 13,44         |
| ,  | BP Capital 9% 93 £<br>British Airways 10 98 £              | 100        | 95 Z   | 96         | +6,2          | 0     | 11.01         |
| 3  | British Airways 10 98 £                                    | 100        | 924  | 924        | e             | 0     | 11.34         |
| •  | Bultimann-Tel. 6% 93 FL.,                                  | 100        | 100%   | 100%       | 0-            | -04   | 6,23          |
| 2  | Comm. Bk.Anst. 12% 9543                                    | 100        | 96%  | 96%        | 9 -           | Ю.    | 13.49         |
|    | Cross.Ctr.Rabo.6 & 93 Fl                                   | 100        | 924<br>1004<br>964<br>1004                             | 1005       | 0 -           | -01/8 | 6,14          |
| •  | Coop.Ctr.Rabo.6 92 FL                                      | 200        | 100 y  | $7000^{5}$ | -04 -         | -04   | 5.90          |
| 5  | Denmark 7-4 92 ECU   | 100        | 1001 <sub>2</sub><br>1001 <sub>3</sub><br>196          | 101        | 0             | Đ     | 7.46          |
| 3  | Discort 11 95 C  | 90         | 196  | 96 J       | 0             | 0.    | 11.75         |
| 5  | Dent. Bk. Aust. 121, 95 AS                                 | 70         | 100  | 1004       | <b>+0</b> ½ + | 102   | 12.63         |
| 3  | Eastroan Kodak 13 90 AS                                    | 100        | 974  | 974        | <b>+0%</b> +  | Ю5.   | 14,67         |
| į. | E.L.B. 796 LFr   | 100        | 198  | 99         | Ò             | 0     | 7.27          |
| Ľ  | Elec.France 10 4 95 CS                                     | 125        | 199  | 9912       | +04           | Ю4.   | 10,39         |
| ì  | Euratous 7-ls 97 ECU                                       | 145        | 1954   | 95 ¥       | Õ             |       | 8.23          |
| •  | Fed. Bus. Dv. Bk. 94, 92 CS                                | 75         | 1974   | 97 Ł       | 104           | ٥.,   | 10.61         |
| ,  | Ford Cr.Can_10* 93 CS                                      | 100        | 1100   | 700년       | 10%           | Ю3,   | 10.65         |
| )  | Gillette Car. 9% 93 £                                      | 70         | 924  | 92%        | +0½ -         | 0.5   | 11.78         |
| 3  | G.M.A.C. 94 93 CS  | 150        | 1964   | 96%        | 40% 4         | Ю¥.   | 10.76         |
| 2  | G.M.A.C.Aus.Fin.14 90 AS                                   | 50         | 100%   | 100%       | 0+            | 6.4   | 13.36         |
|    | Hallfax BS 103, 97 £                                       | 100        | 953  | 95%        | 10¥ -         | 94    | 11.20         |
| L  | Imp Clem Inds 10 03 £                                      | 100        | 931  | 934        | Ŏ-            | 04    | 10.90         |
| ,  | lay.Industry Int. 10 93 £                                  | _60        | - 96   | 964        | 0-            | 0.4   | 11.15         |
|    | Licycis Bank IO 4 98 £                                     | 150        | 935  | 944        | +04 -         | 04    | <u>u 34</u>   |
| ,  | Liesets Bank 11 % 98 £<br>Montreal Tst. 10 % 93 CS         | 100        | 764  | 994        | +04           | 0.    | πæ            |
| •  | Montreal Tst. 104, 93 CS                                   | 100        | 1994   | 777        | 105.1         | 0     | 10.85         |
|    | Nat_ West Bk.134 92 AS                                     | 50<br>75   | 19912  | 100        | 40¼ -         | 0.0   | 73.78         |
| ļ. | Matlonwide BS 10 4 93 £                                    |            | 70.5   | 962        | Ď-            | U+.   | جيب           |
| •  | Ned.Midd.Bank 6 92 FL                                      | 150        | 1001-<br>941-<br>1971-<br>1011-<br>991-<br>188<br>951- | 100        | 0.4           | Ų.,   | 3.86          |
| ,  | New Zealand 912 93 E                                       | 100        | 944  | ***        | D-            | U4.   | ييي           |
|    | New Zealand 7 4 93 ECU<br>Desters Kithk 13 4 94 AS         | 200        | 77/  | 484        | Ξ.            |       | 8.52          |
| •  | DRIFTS KIDKTO & AA WOWN                                    | 75         | mra  | TOT &      | 21            | 2.4   | چېر           |
|    | Philips Gleoif. 6 93 FL                                    | 300<br>150 | 22.4   | 444        | 21            | Ų-    | .o.L          |
| L  | P70000(14) F10.4-2 U/ 2                                    | 120        | 100  | 20.5       | ĕ-            | U.3   | 10.50         |
| Ļ  | Royal Bk.Scot.10 19 98 1                                   | 125        | A5.4   | AD-#       |               | Ų÷.   | 11.77         |
| ,  | Seskatcheman 93, 91 CS                                     | 150<br>200 | 130  |            |               |       |               |
|    | Saskatchewan 104, 93                                       | 90         | 46.F   | 901        | +01, 1<br>0   | ᄤ     | -0.5g         |
|    | S.D.R. 74, 95 ECU  | 70<br>150  | 101  | 772        |               | A1-   | 7.70          |
|    | Union Bk. Switz, 72 93                                     | 100        | TIUI   |            | -01-          | ~ 1   | (.10<br>E 0   |
|    | World Bank 54; 92 FL                                       | 100        | 1004   | 1001       | -401. ·       | 31.   | 3.70<br>13 11 |
| ,  | WIGHT 121 02 46  | 75         | 4001   | 991        | 104 1         | ni.   | 12.55         |
| •  | Zentrspk. 134 93 A\$                                       | 13         | 704  | 774        | 7947          |       | الارجد        |
|    | FLOATING BATE  |            |  |            |               |       |               |
| •  | Criming byit   |            | 614  | 886        |               |       | •             |

| MOLIN DANK 34 45 LP                    |          |               | 777      |           |        |
|--|----------|---------------|----------|-----------|--------|
| World Bank 13% 92 AS                   | 100      | 1004          | 100≒ +0  | 4 +14     | . 13.1 |
| Zentrsok, 134 93 A\$                   | 75       | 981           | 994 +0   | L 404     | 13.5   |
|  |          |               |          |           |        |
| masters sitt                           |          |               |          |           |        |
| FLOATING PATE                          |          | -             |          |           | -      |
| NOTES :                                | Sprand   | ᄤ             |          | Catte     |        |
| Alliance & Lake Bid 94 E               | .08      |               |          | 5 23/03   |        |
| Beigiam 91 U\$                         | 9        | 100.1         | 1 100.2  | 2 21,/02  | 2      |
| Britannia 5 93 S                       | 01       |               | 1 99 9   | 5 10/01   | 12 1   |
| Chase Manhattan Crp.91 US              | <u> </u> |               | 0 99.6   | 7 22 102  | -      |
|  |          |               |          |           |        |
| Citicorp 98 US                         | 104      |               | 0 97.9   |           |        |
| Credit Foncier 98 US                   | .063     | 99.6          | 1 99.7   | 2 20/04   | 8.4    |
| EEC 3 92 DM                            | 10       | 100.9         | 6 10L00  | 22/02 د   | 5.6    |
| Hailfax BS 94 E                        | ī        | 99.8          | 4 99 9   | 8/02      | 122    |
| Invit. In Industry 94 £                | 70       |               |          | 24/02     |        |
|  |          |               |          |           |        |
| Leeds Perms. B/S. 94 E                 |          | 100.0         |          | 7 13/01   |        |
| Midberd Bank Ol. E                     |          |               |          | 5 11/02   |        |
| Milk Mkt_Brd_ 593 £                    | 6.4      | 100.0         | 4 100.04 | 930/12    | 12.0   |
| New Zealand 5 97 E                     |          |               | 3 100.2  | 3 20/02   | 12 1   |
| New Zeeland 5 01 US.                   |          |               | 9 99.8   |           |        |
|  |          |               | ź 100.3  |           |        |
| State Bk. Nsw. 98 US                   |          |               |          |           |        |
| Woolvich Equit. BS. 93 £               |          |               | 99.90    |           |        |
| Woodartch 5 95 £                       | Ա.       | 99.7          | 8 99.E3  | 3 21 J 02 | 12.3   |
| Average price change                   | On day   | +0.00         | on week  | +0.01     |        |
| ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |          |               |          |           |        |
| CAMPACTURE IF                          | -        | -             |          | Cbg.      |        |
|  |          |               |          |           | -      |
| BGNDS                                  |          | <b>Fig.</b> . | BL/ Offi | 5 HZ      |        |
| Alcoa 64 02 US                         | 5/87     | 62. )         | 1044 105 | 4 HO      | 2 IB   |
| Amer Reports 71 (12 US                 | 9/87     | 56.7          | 1174 138 | 4         | Ē O.   |

| Vistage brice costage                              | CH (25)       | <del>, 10.0</del> | 4 08 W | BEE 10.     | .DT  |     |
|--|---------------|-------------------|--------|-------------|------|-----|
| CONVERTIBLE  | Cm.           |                   |        |             | bg.  |     |
| MAN DE   | date          | price             | 214    | Offer       | ėų,  | Pri |
| Alcoa 64 02 US                                     | 8/87          | 62_               | 1044   | 105%        | 40.5 | 18  |
| Amer. Brands 74, 02 US                             | 9/87          | 26.7              | 11/4   | 152         |      | 9   |
| Ashitaga Bank 24, 02 US<br>Asics 5 92 DM           |               | 4777              | 214    | 216         | Ť    | 7   |
| CBS, Inc. 5 02 US                                  |               | 200               | 92     | 93          | ŏ    | 8   |
| Cours Credit 5 % 02 US                             | 4)87          | 66.75             | 643    | 654         | +0%  | 54  |
| Fra China Clay 61- 03 E                            | 4766          | 4.6               | 984    | 991         | 104  | 4.  |
| Februs 3 99 US                                     | 15/84         | 1106.             | 250%   | 2511/2      | +4+2 | O,  |
| 1 and Secs. 63: 02 6                               | 6/87          | 6.72              | 914    | 724         | 10-5 | 12  |
| MGA Inc 512 02 US                                  | 9/87          | 69.62             | 27.5   | 82½<br>801  | +04  | 7   |
| Minoita Causers 24, 940M<br>Mitsubish Bk.1 \ 02 US | 4000<br>40007 | 1167              | 1211   | 1345        | 3ï   | 70. |
| Mitsel Trest 5 % Of fiz                            | *10.94        | 1003              | 138    | 146         | +04  | ă   |
| Next Pic 54 03 C                                   | 11/87         | - 43              | 774    | 787-        | 404  | 203 |
| Ref Nam. Bt. 27, 03 US                             | H/MB          | 804               |        | 1181        | -14  | -3  |
| Caron (april 25 CC 05                              | 1487          | 1316              | 223    |             | ց    |     |
| Randes Works 43, 03 E                              |               | 35                | 107    | 708         | . Õ  | 9   |
| Reduce 7 1, 02 C                                   | 11,67         | 5.4               | 867    |             | .0   | 14  |
| 2000/45/04/64 GE                                   | 11027         | 44                |        |             | -84  |     |
| Texts but 21, 42 65                                | 1967          | 22                |        |             | 107  | 22  |
| W.R. Grack'i, 02 U\$                               | 100           | <b>42.12</b>      | 814    | <b>82</b> 4 | -04  | ×   |

† Only one market maker supplied a price

Realight Bonds: The yield is the yield to referrention of the mid-prior; the amount issued is in millions of currency units except for Yes bonds where it is in billions. Change on week echange over price a week earlier.

Tooking Rate Notes: Decombated in dollars unless otherwise indicated. Compon shown it minimum, C. ofter Date ment compon becomes effective. Spread = Margin above six-month offered rate (thinee-month; gathere mean rate) for US dollars. C.cpn = The current compon.

couport.

owertible Bands: Denominated in dollars unless otherwise indicated.

Chg. day = Change on day. Cav date = First date of conversion into
shores. Can. price = Nominal amount of bond per ware expressed
recurrency of share at conversion rate flust at Issue. Prem = Percentage presum of the currenterfrective price of acquiring stares via the
bond over the most recent price of the shares.

France sets bond sales target of FFr100bn

By George Graham

THE FRENCH Government has announced a bond market borrowing target for 1989 of in line with the planned reduc-tion in the budget deficit to FFr100bn. Bond issues in 1988 otalled FFr109.1bn.

The bonds will be issued mainly at the monthly Treasury bond auctions, but the Government also confirmed it planned to issue a medium to long-term bond denominated in Ecus, the European basket of currencies, to be syndicated in France and overseas. Authorisation for this bond has been included in the budget bill for 1989.

get bill for 1989.

The Treasury will continue to issue the floating rate OAT TRB 1993, indexed on the yield of the weekly anction of three month Treasury bills, but will create four new lines of stock for 1993.

Fixed interest bonds with maturities at 10 and 15 years will replace the OAT 9.5 per cent 1998 and OAT 8.5 per cent 2002 issues, but the seven year OAT 8.7 per cent 1995 will be dropped from the auction calendar and a new 30 year stock will be created in place of the 25 year bond issued this

The 25 year OAT 8.5 per cent 2012 was already the lon-gest French government bond in issue, but the Treasury has been working to extend the average maturity of government debt, and bond market dealers advised there was demand for an even longer

Domestic life insurance com-panies have bought the 2012 bond, but some dealers believe that by moving to a 30 year maturity, the French Govern-ment may also attract foreign investors, especially Japanese institutions.

A further 12 year floating rate bond, OAT TME 2001 indexed on the average yield of 7 to 15 year government bonds, will also be

Every auction, conducted on the first Thursday of each month, will include the new 10 year bond, one of the two floating rate bonds and either the 15 year or the 30 year

#### Nokia increases holding in Salora to 97% By Olli Virtanen

in Helsinki

NOKIA, THE Finnish electronics group, has increased its holding in Salora, the consumer electronics subsidiary by 36 per cent to 97 per cent after buying the stake owned by Hollming, the Finnish shipbuilding company. The purchase price was not

The deal ends a bitter dispute between the two compa-nies over Salora and its role in

nies over Salora and its role in the Nokia group.

Nokia acquired the majority of Salora in 1984 while Hollming remained a minority shareholder. Since then Hollming has aimed to develop Salora as an independent company while Nokia wanted to merge the company's operations with the rest of its consumer electronics division.

sumer electronics division. The agreement signed yea-terday paves the way for Nokia to develop fully Salora as part of the consumer elec-tronics division, which ranks number three in Europe and

ninth worldwide.

In a separate deal Nokia yesterday raised FMS60m (\$85m) through the sale of it hydropower plant in the town of Nokia in Finland to Elake-Varma, the Finnish insurance company. The deal includes a lease-back agreement and an option, but no commitment, to buy back the plant.

**APPOINTMENTS** 

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# Good cheer at successful Sterling

Peter Marsh on the turnround at a Houston-based company

A Houston-based Sterling Chemicals about the state of the US chemicals industry and you will get a decidedly cheery reply.

The staff of Sterling, who own just under half the company, some two months ago sold 20 per cent of their collec-tive stake for \$130m, more than 100 times the value of the shares when the group was

created two years ago.

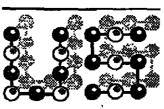
The size of the payout —
which enriched Sterling's production workers by about \$30,000 and gave much larger sums to some of the company's more senior employees — can be explained almost entirely by the scale of the turnround in the US chemicals business since 1986. This week, for example,

Quantum Chemical of the US announced a \$1.2bn financial restructuring which would result in shareholders receiving a one-time cash dividend of \$50 a share.

Sterling was created when a group of managers at Mon-santo, the big US chemicals producer, agreed to buy from their employer a group of com-modity-chemicals plants in Texas City near Houston.
The managers, aided by outside consultants including Mr

Virgil Waggoner, Sterling's president, paid out \$213m for the plants in a deal largely financed by the issuing of \$120m worth of junk bonds. In the past two years, demand for chemicals, and

with this prices and chemicalindustry profits, have soared. Sterling, which makes a range



#### Chemical industry

of chemicals used as raw materials in products such as plas-tics, fibres and paints, has benefited accordingly. In 1985, the last year of Mon-

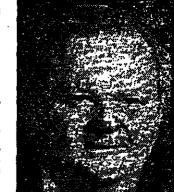
santo's ownership, the Texas City site made a profit of just \$3.5m on sales of \$591m. Sterling, after taking over the site and following restructuring, last year converted this into a profit of \$47m, on \$413m of

There was a still better per-formance this year, during which Sterling unveiled net earnings of \$213m on sales of

Mr Waggoner, a burly 61year-old who has had a life-time's experience in the chemicals industry, including a 30year spell with Monsanto, admits his former employer gave him a wonderful deal.

The big pay-off in October for Sterling's employees came after Mr Waggoner and the

other directors decided to con-vert some of the shares into liquid assets. They asked all shareholders to dispose of a fifth of their stake, in the pro-cess taking the company pub-



Virgil Waggoner: plants not just a way of making money

Sterling, made \$19m on the deal. He is anxious to portray the change in ownership of the Texas City plants not just as a way of making people rich.
He says the plants are run with an effectiveness and a sense of esprit among the workforce that was rarely the case when they were under Monsanto's ownership.
The big question for Sterling

 and for other groups in the US chemicals industry which have gained similarly from the boom in demand since 1986 is how long the good times will

Mr Waggoner points to a series of long-term contracts between his company and other chemicals groups, such as British Petroleum, BASF of West Germany, Canada's Poly-Mr Waggoner, who before the sell-off owned 10 per cent of sar and Monsanto. Under these

deals, Sterling has agreed to deliver to these groups bulk chemicals such as styrene (the main component of polysty-rene plastic) and acetic acid (which is made into chemicals used in glues and paints) over

several years. These deals, Mr Waggoner says, should help to insulate Sterling from any downturns in the chemicals business in

in the chemicals business in the next few years. Mr Waggoner is delighted with this scheme. "We think its pretty clever," he says.

This is the fourth in a series on the US chemical industry. The previous articles on Monsanto, Dow Chemical and Union Carbide appeared on December 8, 14 and 22

#### **London United** expands in US By Nick Bunker

LONDON United Investments. LONDON United Investments, a specialist group which supplies property/casualty insurance for US corporations, is to spend \$12.69m to buy an insurance syndicate on the Chicago-based Illinois Insurance Exchange from CalFed, a US theift institution

thrift institution.
London United already has one syndicate in Chicago, underwriting small to medi-um-sized insurance risks, and the deal could raise the group's share of the exchange's business to about

15 per cent The Calfed syndicate made 1987 pre-tax profits of \$944,000, and has net assets of

# Bond lifts Chile telecom stake to 50.2%

By Michael Marray in Hong Kong

MR ALAN BOND'S Hong Kong listed Bond Corporation Inter-national (BCI) has increased its stake in Compania de Tele-fonos de Chile (CTC) from 32 per cent to 50.2 per cent after subscribing to an additional US\$155.2m worth of shares in the recent CTC rights issue.

The shares were acquired through BCI's wholly-owned subsidiary Bond Corporation Chile. Under CTC regulations no shareholder may normally own more than 45 per cent of the company, but agreement

has been reached giving BCI until August 31 1992 to reduce its stake to below that level

BCI acquired its initial 32 per cent stake in CTC in January 1988, and a few months later assumed management control of the company, which provides around 95 per cent of domestic telephone services in

BCI added that, when it took control, telephone line sales were below the 42,000 per annum target. It is now forecasting total line sales of 60,000

for 1988, and growth of 11 per cent in operating profit over

The company said in a report to shareholders released in August that long-term fund-ing for its increased CTC stake would be repayable over eight years from profits distributed

BCI is 66 per cent held by its Australian parent Bond Corporation Holdings, which in October announced a HK\$2.20 (US\$0.28) per share offer to minorities in order to take the

company private. However, the extraordinary meeting planned for December 12 so that shareholders could vote on the offer had to be postponed after BCI sold its 30 per cent stake in TVB, a local television station. The deal

meant that new offer docu-

ments had to be prepared. Further delays on documen tation make it likely that the extraordinary meeting will be further postponed, from the rescheduled January 10 date, and that it will not take place



# The Republic of Italy

In accordance with the provisions of the Notes, notice is hereby given that the Interest Amounts payable on the next Interest Payment Date 30th January, 1989 will be US\$ 471.71 for each US\$ 10,000 Note and

# US \$300.000.000

Floating Rate Notes due 1997

US\$ 11,792.55 for each US\$ 250,000 Note.

U.S. \$400,000,000 **BankAmerica Overseas Finance Corporation N.V.** 

**Guaranteed Floating Rate** Subordinated Capital Notes

Due 1996

Guaranteed on a subordinated basis

as to payment of principal and interest by

BankAmerica Corporation

Interest Rate

Interest Period

Interest Amount per

31st March 1989

U.S. \$50,000 Note due

9%16% per annum

30th December 1988

31st March 1989

U.S. \$1,208.59

Bank of America International Limited

30th December, 1988.

# U.S. \$75.000.000

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Floating Rate Subordinated Notes Due 1991

Interest Rate

Interest Period

30th March 1989

911/16% per annum 30th December 1988

30th March 1989

Interest Amount per

U.S. \$1,000 Note due U.S. \$24,22

**Credit Suisse First Boston Limited** Agent Bank

# US. \$75,000,000

Floating Rate Subordinated Capital Notes Due 1997

**Comerica Incorporated** 

Interest Rate

95/8% per annum 30th December 1988

30th March 1989

U.S. \$1,203.13

**Interest Period** Interest Amount per U.S. \$50,000 Note due

30th March 1989

Credit Suisse First Boston Limited Agent Bank

American Express Bank Ltd. U.S. \$100,000,000

Floating Rate Subordinated Capital Notes Due 1997 Notice is hereby given that the Rate of Interest has been fixed at 9.5625% and that the interest payable in respect of U.S. \$10,000 principal amount of Notes for the period December 30, 1988 to March 31, 1989 will be US\$241.72.

December 30, 1988, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITICORP © U.S. \$350,000,000

Credit Suisse First Boston Limited Agent Bank

Subordinated Floating Rate Notes Due November 27, 2035
Notice is hereby given that the Rate of Interest has been fixed at 9.725% in respect of the Original Notes and 9.8125% in respect of the Enhancement Notes, and that the interest payable on the relevant Interest Payment Date January 31, 1989 against Coupon No. 38 in respect of US\$10,000 nominal of the Notes will be US\$86.44 in respect of the Original Notes and US\$87.22 in respect of the Enhancement Notes.

December 30, 1988, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

# LONDON MARKET STATISTICS

#### FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| 5 Electronics (30)   |           | EQUITY GROUPS  | 1                 | hursda | y Deca            | ember :                   | 29 19          | 88    | Wed<br>Dec<br>28 | Fri<br>Dec<br>23 | Thu<br>Dec<br>22 | Year<br>ago<br>(approx |
|--|-----------|--|-------------------|--------|-------------------|---------------------------|----------------|-------|------------------|------------------|------------------|------------------------|
| 2 Building Materials (28) 99, 95 41.7 13,28 4.75 92.6 33.75 143.6 933.6 927.96 1 Contracting Construction (39) 1487.41 +1.1 13.3 4.10 9.78 47.27 1471.60 1454.39 1452.28 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1   |           | ures in parentheses show number of<br>stocks per section | No.               | Change | Earning<br>Yield% | Div.<br>Yield%<br>(Act at | P/E<br>Ratio   |       |                  |                  |                  | index<br>No.           |
| 3 Contracting, Construction (39)   | 1)        | CAPITAL GOODS (208)                                      | 784.38            |        | 11.95             | 4.54                      | 10.25          | 25.81 | 774.87           | 767.34           | 766.12           | 727.8                  |
| 5 Electronics (30)   | 2         | Building Materials (28)                                  | 959.35            | +3.7   |                   |                           | 9.26           | 33.75 | 943.56           | 933.04           | 927.96           | 967,69                 |
| 5 Electronics (30)   | -31       | Contracting, Construction (39)                           | [1487 <i>.</i> 41 | +1.1   |                   |                           |                |       |                  |                  |                  |                        |
| 6 Mechanical Engineering (54) 411.49 41.2 11.45 4.49 10.61 14.46 406.70 405.15 403.67 8 Metais and Metail Forming (8) 457.56 40.6 16.52 6.32 6.99 14.35 44.77 459.57 459.59 Motors (16) 261.56 40.8 12.89 5.18 8.79 9.91 279.13 275.25 275.71 10 Other Industrial Materials (23) 1223.94 11.5 10.36 4.71 11.48 46.27 1384.37 1293.97 1290.48 11.20 15.00 Numer efforuly (188) 1.028.83 1.0 10.11 4.0 12.40 8.34 10.10 14.0 15.24 8.87 10.00 10.99 32.36 1114.81 1110.13 1108.57 12 Food Manufacturing (21) 934.59 11.2 9.30 4.12 12.81 27.45 273.56 1912.79 911.34 25 Food Metailting (16) 1813.42 11.8 10.01 3.06 13.14 51.41 1781.29 1761.99 1764.43 27 Health and Household (13) 1814.43 10.6 7.46 2.78 15.49 40.6) 1803.42 1782.82 1780.35 13 12 Publishing & Priming (19) 3265.02 11.4 9.12 3.92 14.01 37.44 1312.51 1330.12 13 13 Packaging & Priming (19) 3265.02 11.4 9.36 4.70 13.36 13.15 1.41 373.20 1761.99 1764.43 22 Publishing & Priming (19) 3265.02 11.4 9.36 4.70 13.36 180.57 320.74 3194.86 3196.65 33 Tertiles (16) 464.46 4.8 14.99 6.06 8.00 19.12 460.33 454.66 453.54 40 GTHER (ROUPS (92) 903.60 40.9 11.62 4.77 10.51 32.32 895.56 889.56 885.74 41.4 Agencies (19) 1048.66 40.8 14.99 6.06 8.00 19.12 460.33 454.66 453.54 41.4 Agencies (19) 1048.66 40.8 14.99 6.06 8.00 19.12 460.33 454.66 453.54 41.4 Agencies (19) 1048.66 40.8 14.99 6.06 8.00 19.12 460.33 454.66 453.54 41.4 Agencies (19) 1048.66 40.8 14.99 6.06 8.00 19.12 460.33 454.66 453.54 41.4 Agencies (19) 1049.66 40.9 11.62 4.77 10.51 32.32 895.56 889.56 885.54 | 41        | Electricals (10)   | 2317.68           | +1.2   |                   |                           |                |       |                  |                  |                  | 2020.8                 |
| 8 Metals and Metal Forming (8)   |           | Electronics (30)   | 2781.94           |        |                   |                           |                |       |                  |                  |                  |                        |
| 9 Motors C16)  | 6         | Mechanical Engineering (54)                              | 431,49            |        | 11.45             | 4.49                      | 10.61          | 14.46 | 406.70           | 485.15           | 403.67           | 369.2                  |
| 10 Other industrial Materials (23)   |           |  |                   | J +0.6 |                   |                           | 6.90           |       |                  | 459.77           | 450.55           | 437.0                  |
| 22   Consumer Group (1880)   | .91       | Motors (16)  | 261.26            | +0.8   | 12.89             | 5.18                      | 8.96           | 9.91  | 259.13           | 255.25           | 255,71           | 269.8                  |
| 22 Brewers and Distillers (21)   | 10        | Other Industrial Materials (23),,                        | 1323.94           |        |                   |                           |                |       |                  |                  |                  |                        |
| 25 Food Manufacturing (21) 934.59 +1.2 9.30 4.12 12.81 27.45 923.56 912.79 911.34 226 Food Retailing (16) 1813.42 +1.8 10.01 3.08 13.14 1781.29 1761.99 1764.31 27 Health and Household (13) 1814.38 +6.6 7.46 2.78 15.49 40.69 1883.42 1782.82 1789.35 139.12 131 Packaging & Paper (17) 527.13 +1.6 10.58 4.27 11.76 15.37 521.91 516.33 51.95 32 Publishing & Printing (19) 3265.02 +1.4 9.36 4.77 13.36 108.57 521.91 516.35 514.95 32 Publishing & Printing (19) 3265.02 +1.4 9.36 4.77 13.36 108.57 521.91 516.35 514.95 32 Publishing & Printing (19) 3265.02 +1.4 9.36 4.77 13.36 108.57 521.91 516.35 514.95 32 Publishing & Printing (19) 3265.02 +1.4 9.36 4.77 13.36 108.57 521.91 516.35 514.95 32 Fublishing & Printing (19) 3265.02 +1.4 9.36 4.77 10.51 33.6 108.57 521.91 516.35 514.95 32 52 520.44 3194.86 3195.65 32 52 520.44 3194.86 3195.65 32 52 520.44 3194.86 3195.65 32 52 520.44 3194.86 3195.65 32 52 595.56 89.55  |           |  |                   |        |                   |                           |                |       |                  |                  |                  |                        |
| 27   Health and Household (13)   1814.38   40.6   7.48   2.78   15.49   44.69   1883.42   1782.82   1780.35   1391.29   Leisure (31)   1354.61   +1.0   9.12   3.92   14.01   37.84   1341.78   1332.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131   131   132.53   1330.12   131    | <b>22</b> | Brewers and Distillers (21)                              | 1116.40           | +0.1   |                   |                           |                |       |                  |                  |                  |                        |
| 27   Health and Household (13)   1814.38   40.6   7.48   2.78   15.9   44.69   1883.42   1782.82   1780.35   1391.29   Leisure (31)   1354.61   +1.0   9.12   3.92   14.01   37.84   1341.78   1332.53   1330.12   131   Packaging & Paper (17)   527.13   +1.6   10.58   4.27   11.76   16.37   521.91   516.33   514.95   32   Publishing & Primting (19)   3255.02   +1.4   9.36   4.70   13.36   188.57   320.74   3194.86   3196.85   32   Stores (34)   693.98   +1.4   12.28   4.96   10.70   25.94   681.26   677.01   675.61   33   Stores (34)   693.98   +1.4   12.28   4.96   10.70   25.94   681.26   677.01   675.61   35   Textiles (16)   464.46   40.8   14.99   40.6   8.00   19.12   460.33   454.46   453.54   40   GTHER GROUP'S (92)   903.60   +0.9   11.62   4.77   10.51   32.32   895.55   889.65   885.74   41   Agencies (19)   1048.66   +0.6   8.58   2.69   14.63   21.60   1842.63   1029.17   1026.99   42   Chemicals (22)   1039.46   +1.2   12.26   5.07   9.79   41.76   1026.99   1017.00   1007.03   13   Conglomerates (12)   1267.46   +1.4   11.66   5.65   9.95   54.84   1249.42   1237.17   1236.03   147   Telephone Networks (2)   1005.09   +0.5   11.69   4.67   11.12   35.23   999.82   999.76   995.75   38   Miscellaneous (25)   1194.40   +0.9   12.86   4.60   9.43   41.15   1843.31   1175.20   1169.24   13   1001.86   4.02   101.03   4.38   11.20   30.47   336.09   928.05   926.01   101.62   4.02   10.61   4.67   11.12   32.23   399.82   999.76   995.75   1001.86   4.02   10.97   4.66   11.31   34.87   1084.35   796.49   994.15   1001.86   4.02   10.97   4.66   11.31   34.87   1084.35   796.49   994.15   1001.86   4.02   10.97   4.66   11.31   34.87   1084.35   796.49   994.15   1001.86   4.02     | 25        | Food Manufacturing (21)                                  | 934.59            | +1.2   |                   |                           |                |       |                  |                  |                  | 834.5                  |
| 33   Pakkaging & Paper (17)   527.13   +1.6   19.58   4.27   11.76   16.37   521.91   516.83   516.95   3196.65   32   Publishing & Priming (19)   3265.02   +1.4   9.36   4.70   13.34   108.57   320.74   3194.86   3196.65   33   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54.65   35   54   46.65   36   40.8   40.9   41.62   4.77   41.65   4.67   41.65   4 | 26        | Food Retailing (16)                                      | 1813.42           | +1.8   |                   |                           |                |       |                  |                  |                  |                        |
| 31 Packaging & Paper (17)  | 27        | Health and Household (13)                                | 1814.38           |        |                   |                           |                |       |                  |                  |                  |                        |
| 32 Publishing & Priming (19)   | 29        | Leisure (31)   | 1354.61           |        |                   |                           |                |       |                  |                  |                  |                        |
| 34 Stores (34) 693,08 +1.4   12.28   4.96   10.70   25.04   683.26   677.01   675.61   35 Textiles (16) 464.46   40.8   14.99   6.06   8.09   19.12   460.33   454.46   435.54   40 GTHER GROUPS (92) 903.66   40.9   11.62   4.77   10.51   32.28   895.55   889.54   41 Agencies (19) 1048,66   40.6   8.58   2.69   14.63   21.60   1842.63   1829.17   1826.49   42 Chemicals (22) 1039,46   +1.2   12.26   5.07   9.79   41.76   1826.93   1817.10   1827.07   183   43 Conglomerates (1.2) 1267.46   +1.4   11.66   5.65   9.95   54.84   1249.42   1237.17   1236.03   143   45 Shipping and Transport (12) 1865.55   40.8   12.09   5.03   10.88   62.78   1850.95   1837.11   1835.31   47 Telephone Networks (22) 1905.09   40.5   11.69   4.67   11.12   35.23   999.22   999.76   995.75   48 Miscellaneous (25) 19194.49   49.9   12.86   4.60   9.43   41.15   1843.11   1175.20   1169.24   140   1 | 311       | Packaging & Paper (17)                                   | 527.13            |        |                   |                           |                |       |                  |                  |                  | 505.00                 |
| 35 Tertiles (16)   |           |  |                   |        |                   |                           |                |       |                  |                  |                  |                        |
| 10 OTHER GROUPS (92)   | <u>~</u>  | Stores (34)  | 673.98            |        |                   |                           |                |       |                  |                  |                  | 845.72                 |
| 41 Agencles (19)   | 22        | /ETUEN (10/  | 404.40            |        |                   |                           |                |       |                  |                  |                  | 598.2                  |
| 12   12   12   12   12   12   12   12  | 371       | 0   NER UKOUFJ (72) ************************************ | 1049.64           |        |                   |                           |                |       |                  |                  |                  | 852.8                  |
| ## Shipping and Transport (12)   | 3         | Mge:6:100 1177   | 1020.4£           |        |                   |                           |                |       |                  |                  |                  | 1069.63                |
| ## Shipping and Transport (12)   | 431       | Constamentae (12)  | 1947.46           |        |                   |                           |                |       |                  |                  |                  |                        |
| 17 Telephone Networks (2)  | 35        | Shipping and Transport (3.2)                             | 1865 56           |        |                   |                           |                |       |                  |                  |                  |                        |
| 1194.40   +9.9   12.86   4.60   9.43   41.15   1184.31   1175.20   1169.24   149   11.03   4.38   11.20   30.47   936.09   928.05   928.01   12.07   12.07   12.08   12.07   12.08   12.07   12.08   12.07   12.08   12.07   12.08     | i51:      | Telephone Networks (2)                                   | 1005.09           |        |                   |                           |                |       |                  |                  |                  | 897.43                 |
| 39   INDUSTRIAL GROUP (488)  | B         | Miscellaneous (25)                                       | 1194 46           |        |                   |                           |                |       |                  |                  |                  | 1168.33                |
| 51 Oil & Gas (12)  | 39        | INDUSTRIAL GROUP (488)                                   | 945.74            |        |                   |                           |                |       |                  |                  |                  | 914.29                 |
| 59 500 SHARE INDEX (500)   |           |  |                   | _      |                   | Ī                         |                |       |                  |                  |                  | 1702.76                |
| S1 FINANCIAL GROUP (123) 676.16 +0.6 - 5.27 - 26.60 672.11 658.55 666.78 (22 Sanks (8) 663.25 +0.2 21.37 6.54 6.27 32.18 661.63 662.05 659.19 (23 Sanks (8) 61.63 662.05 659.19 (24 Sanks (8) 61.63 662.05 659.19 (25 Sanks (8) 61.63 662.05 659.19  |           |  |                   |        |                   | _                         |                |       |                  |                  |                  | 981.12                 |
| 22 Banks (8)   |           |  |                   |        |                   |                           |                |       |                  |                  |                  | 650.53                 |
| 55 insurance (Life) (7)  | 21        | Banks (8)  | 663.25            |        | 21.37             | 6.54                      | 6.27           |       |                  |                  |                  | 457.45                 |
| 56 Insurance (Composite) (7)     533.33     +1.7     -     5.86     -     24.04     524.52     521.28     519.50       57 Insurance (Brokers) (7)     925.20     +1.5     9.46     7.02     13.28     46.87     911.09     901.14     902.77       58 Merchant Banks (11)     317.15     -0.6     -     4.73     -     16.93     319.95     318.75     320.38       59 Property (52)     1211.88     +0.3     5.91     2.84     21.64     25.93     1268.71     1194.29     1190.74       70 Other Financial (31)     342.36     +8.3     10.28     5.78     12.15     15.48     341.22     340.93     341.13     37       71 Investment Trusts (76)     927.43     +1.1     -     3.27     -     21.38     916.98     910.73     990.72     31.13     37       31 Mining Finance (2)     568.04     +0.6     10.76     3.68     10.35     15.67     564.57     556.61     555.13     40.71     1272.91     1256.12     1256.38     9       91 Overseas Traders (8)     1278.69     +0.5     9.18     4.95     12.63     48.71     1272.91     1256.12     1256.38     9       94 All-SHARE INDEX (769)     930.43     +0.9     -  | 55 i i    | Insurance (Life) (7)                                     | 945.06            |        |                   |                           | 1              |       |                  |                  |                  | 976.89                 |
| 77 Insurance (Brokers) (7) 925_20 +1.5 9.46 7.02 13.28 46.87 911.09 901.14 902.77 91.00 91.14 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 91.14 902.77 91.00 9 | 611       | Insurance (Composite) (7)                                | 533 33            | +1.7   | - 1               |                           | - I            | 24.04 | 524.52           |                  |                  | 509.32                 |
| 88 Merchant Banks (11)   | 57 I      | Insurance (Brokers) (7),                                 | 925.20            | +1.5   | 9.46              | 7,02                      | 13.28          | 46.87 | 911.09           | 901.14           |                  | 916.83                 |
| 70 Other Financial G31)  | 58I I     | Merchant Banks (11)                                      | 317.15            | -0.6   | - 1               | 4.73                      |                | 16.93 | 319.05           | 328,75           | 320.38           | 345.69                 |
| 70 Other Financial G31)  | 59]]      | Property (52)  | 1211.88           | +0.3   | 5.91              |                           | 21.64          | 25.93 | 1208.71          | 1194.29          | 1190,74          | 997.62                 |
| 31 Mining Finance (2)  | 70        | Other Financial (31)                                     | 342.36            | +8.3   | 10.28             | 5.78                      | 12,15          | 15.48 | 341.22           | 348.93           | <u>341</u> .13   | 385.30                 |
| 31 Mining Finance (2)  |           |  |                   | +1.1   |                   | 3,27                      | <del>-</del> T | 21.38 | 916.98           | 910.73           | 909.22           | 788.00                 |
| 1278.69  | 32]!      | Mining Finance (2)                                       | 568.04            | +9.6   | 10.76             |                           | 20,35          |       |                  |                  |                  | 449.04                 |
| Index Day's Day's Dec Dec Dec Dec Dec  | )1 (      | Overseas Traders (8)                                     | 1278.69           | +0.5   | 9.18              | 4.95                      | <u> 12.6</u> 3 | 48.71 | 1272.91          | 1256.12          | 1256.38          | 964.99                 |
|  | 99        | ALL-SHARE INDEX (709)                                    | 930.43            | +0.9   | 1                 | 4.70                      | -7             | 32.28 | 922.51           | 915.52           | 913.42           | 898.92                 |
| լ ։  | T         |  |                   |        |                   |                           |                |       |                  |                  |                  | Year                   |
| FT-SE 100 SHARE INDEX4   | +         |  |                   |        |                   |                           |                |       |                  |                  |                  | 290                    |

| _  | FIX                           | (ED I            | NTE             | RES              | Г                |                            |          | AVERAGE GROSS<br>REDEMPTION YIEL                 | DS .                          | Thu<br>Dec<br>29        | Wed<br>Dec<br>28        | Year<br>ago<br>(approx.) |
|----|-------------------------------|------------------|-----------------|------------------|------------------|----------------------------|----------|--|-------------------------------|-------------------------|-------------------------|--------------------------|
|    | PRICE<br>INDICES              | Thu<br>Dec<br>29 | Day's<br>change | Wed<br>Dec<br>28 | xd adj.<br>today | xd adj.<br>1968<br>to date | 1 2 2    | Coupons 15 year                                  | ars<br>ars                    | 10.33<br>9.51<br>9.07   | 10.32<br>9.49<br>9.05   | 8.77<br>9.46             |
| 1  | British Government<br>5 years | 118.39           | -0.06           | 118.46           | _                | 11.71                      | 4 5      | Medium 5 year<br>Coupons 15 year                 | ars                           | 10.56<br>9.74           | 10.54<br>9.71           | 9.33<br>9.40<br>9.65     |
|    | 5-15 years<br>Over 15 years   |                  |                 | 133.86<br>146.79 |                  | 14.01<br>14.10             | 7 8      | High 5 year                                      | ars                           | 9.33<br>10.76<br>9.85   | 9.30<br>10.72<br>9.84   | 9.60<br>9.50<br>9.80     |
|    | irredeemables                 | 169.09<br>131.68 |                 | 169.27<br>131.80 | <del>-</del>     | 14,61<br>13,36             | 10       | 25 yea<br>Irredeemables                          | us                            | 9.36<br>8.95            | 9.33<br>8.94            | 9.58<br>9.25             |
|    | Index-Linked 5 years          | 229.60           | -0.03           | 129.63           | _                | 2.44                       |          | Index-Linked Inflation rate 5% Inflation rate 5% | 5yrs.<br>Over 5 yrs.          | 3.81<br>3.78            | 3.78<br>3.77            | 2.89<br>3.97             |
|    | Over 5 years<br>All stocks    |                  |                 |                  | -<br>-           | 3.54<br>3.43               | 13<br>14 | Inflation rate 10%<br>Inflation rate 10%         | 5 yrs<br>Over 5 yrs           | 2.57<br>3.60            | 2.54<br>3.60            | 3.33<br>4.06             |
| 9  | Debentures & Losss            | 116.19           | +0.08           | 116.09           |                  | 11.75                      |          | Leans 15   | 5 years<br>5 years<br>5 years | 11.60<br>11.28<br>10.97 | 11.51<br>11.25<br>19.98 | 11.00<br>11.66<br>11.10  |
| jΟ | Preference                    | 85.91            | -0.23           | 86.10            | -                | 6.62                       |          | Preference                                       |                               | 10.43                   | 10.41                   | 10.68                    |

#Opening index 1793.0; 10 am 1793.5; 11 am 1799.1; Noon 1804.6; 1 pm 1802.3; 2 pm 1802.6; 3 pm 1804.0; 4 pm 1804.3; 4.05 pm 1804.1 (a) 3.35pm (b) 9.00am t Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracker House, Cannon Street, London ECAP 480; price 159, by post 34p. Planned Year End Constituent Changes, INSERTIONS: Blenheim Exhibitions, Group 41-Agencies, Eurotumnel (half market capitalisation).

Group 45-Shipping & Transport: Premier Consolidated Oilfields, Group 51-01/8 Gas: Stanhope Properties and Randsworth Trust, Group 69-Property: London Forfaiting, Group 70-Diber Financial: United Friendly Insurance B", Group 65-Insurance Life, DELETIONS: Carless, Group 51-01/8 Gas: Gent (S.R.), Group 35-Textiles: Ocean Wilsons Holdings, Group 45-Shipping & Transport. RECLASSIFICATIONS: Avis, from Agencies to Motors: Carlton Communications, from Agencies to Leisure: IMI, from Metals & Metals Forming to Mechanical Engineering.

| RISES AND FALLS   | YESTI  | RDAY  |   |
|---|--|---|---|
| British Fonds Corporations, Dominion and Foreign Bonds Industrials Financial and Properties Oils Plantations Mines Others | Rises<br>5<br>2<br>585<br>240<br>26<br>4<br>28<br>74 | Falls<br>91<br>15<br>166<br>63<br>11<br>0<br>37<br>48 | Same<br>15<br>34<br>829<br>368<br>67<br>9<br>124<br>125 |
| Totals  | 964  | 431   | 1,571   |

|  |                 |                          | LON  | DQ   | N RECENT   | IS:              | SU          | ES   |               | _                   |   |
|--|-----------------|--------------------------|--|--|--|------------------|-------------|--|---------------|---------------------|---|
| QU   | ITIE            |                          |  |  |  |                  | _           |  |               | _                   |   |
| isse<br>Price  | Amersi.<br>Paki | Lätes<br>Researc<br>Cate | 19<br>Eigh                                   | i (dee                                     | Stock  | Clesies<br>Price | †gr         | Het<br>Dec.  | Tees<br>Covid | Eness<br>Yield      | P.E.<br>2250  |
| 58<br>200<br>135<br>124<br>120<br>135<br>124<br>135<br>120<br>135<br>124<br>135<br>135<br>135<br>135<br>135<br>135<br>135<br>135<br>135<br>135 |                 | 16/12                    | 55 746 71 210 146 828 55 192 133 1266 118 88 | 215524554425445545545545545545545545545545 | Pélpolio Metals 10p  Sédorilo Watch Prods. 3p  SET Warmars. Bardon Group 10p  Rélatoin 10p  Scarce Tiris 1 p  Scarce Tiris 1 p | 106              | 4 444 414 4 | R20 b0.45 2.5 b2.6 87.5 R5.5 R5.5 R5.5 R5.5 R5.5 R5.5 R5.5 R | 2773972211    | 21 2185479773774453 | 11.3<br>19.5<br>26.6<br>9.5<br>7.4<br>8.5<br>11.7<br>11.8<br>11.9<br>12.3<br>11.9<br>15.1<br>16.2<br>11.8<br>11.8 |

|  | REST STOCKS                              | INTE             | XED   | FI                       |                |   |
|--|--|------------------|---|--------------------------|----------------|---|
| Closing +  | Stock                                    | 88<br>Low        | 19<br>High                                      | Latest<br>Resunc<br>Date | Amount<br>Paid | tesue<br>Price<br>£   |
| 1 - 1  | ]  | LOW .            | туя   | Date:                    | ep             | L   |
| 390 +  | AMEC New 6 top (New) Can Car Rd Pf 50p   | 856              | 960   |                          | f.P.           | 1000  |
| .[ 1035  | Macoillo Metals Bo(Net) Cr: Rd Pf 10p    | 103 <del>6</del> | 1050  |                          | F.P.           | 100a  |
| J 999  | Arlangton Sec. 912pc Cap. Rd. Pf. 2008   | 98 Lp            | 100%  |                          | F.P. [         | 100a i  |
| 1069   | ABLANTOON Gro Sto(Net.) Cy Chi Rd Pf 10p | 1065             | 111m l  |                          | F.P. 1         | 100e  |
| 103p<br>99p<br>106p<br>96p                           | Blackwood Hodge 9pc Cm. Pl. 52           | 940<br>100       | 磃   | -                        | F.P.           | 100p<br>100p<br>100p<br>100.3p<br>100<br>100p<br>100p<br>100p<br>100p<br>100p |
| .) 203)  | Cable & Wireless 7pc Cv Un Ln 2008       | 100              | 103   | 1 - 1                    | F.P. 1         | 100   |
| . 1995p l  | Director (C) Dev. 9.375pc Can Rd Pf £1   | 98½p             | 9940  | - 1                      | F.P. 1         | \$100a  |
| . Ippm   | #Cityvision 8.5pc Cv Cort. Rd. Pf        | 4 ppm            | l 1mmm l  | - 1                      | No I           | 1000  |
| .   4,ppm  | Jessups 7.3p(Net) Cr Cm Rt P1 50p        | 4 ppm)           | %,ppm   | - 1                      | #12            | \$100p  |
| 950  | Leisure imes 7pc Can Cu Rd Pf(1988) 51   | 865              | ~95 <sub>9</sub>                                |                          | E.P.           | 200a  |
| ] 9 <u>1</u> p]+                                     | Mecca Lesure Grp. 7.25p Cr Pt 20p        | 896              | 98p   | - 1                      | F.P.           | 1000  |
| 994  | N wide Anglia 12 Hoc 2 6.90              |                  | 100   | -                        | F.P.           | E100  |
| . 925  | Parkfield Geo Soci Net XBd Pf '10/13 EL  |                  | 950   | -                        | F.P. 1         | 100a  |
|  | Rockware Gre 7 4 oc Or Cm Rd 2mt Pf      | 888              | 1000  | !                        | F.P. I         | 100a  |
| .  856   | ISThorpac 8o Cr Rd Pto Pf "01-"05:50p    | oup.             | 856 [   | -                        | F.P.           | 100a  |
| 959<br>971<br>971<br>971<br>930<br>430<br>450<br>450 | WHEates Hidgs Bo (Net) Cv Rd Pf 10p      | 93p              | 959<br>980<br>100<br>969<br>100s<br>859<br>1049 | - 1                      | F.P.           | 100s<br>100s<br>100s<br>100s  |

|   |  |  |  |   |  |   | _               |
|---|--|--|--|---|--|---|-----------------|
|   |  |  | R  | GHT:  | s offers   |   | Ī               |
| issue<br>Price  | Astonat<br>Pald  | Latest<br>Remote   | 19   | 288   | Stock  | Clasing<br>Price  | Ī               |
| p   | .EQ  | Date   | High   | Lone  |  | p   |                 |
| 165<br>98<br>220<br>300<br>16<br>21 <sub>2</sub>                      | 돌돌돌돌   |  | 16pm<br>Span<br>4gm<br>4gm<br>14pm<br>19pm                 | 14pm<br>4pm<br>1pm  | Haden Mariellan 20g<br>Lest John J.) 10g<br>Bezartway Broute<br>Peel Hidgs<br>Besont Hotels 10g<br>Towanyard Soullus 1g  | 12pm<br>8pm<br>3pm<br>1pm<br>1pm                            | -               |
| a Armoali<br>over based<br>orecast, de<br>inidend, con<br>stimutes fo | on divides:<br>r esumated<br>rer and p/e<br>r 1988.N C | d on full ca<br>1 australis<br>1 based on<br>Dividend as | apita).g Ass<br>ed dividend<br>latest aren<br>ed vield bas | named divid<br>I rate, com<br>rai estraingo<br>red on oroso | l estimates d'Dividend rate paid or payable tend and yield.s Dividend and yield exclude r based on printous year's camings.L. Est LM Dividend and yield based on Prospecti<br>ectes or other official estimates. When you could take or other official estimates. W Pro Forr | special payr<br>imated arm<br>is or other c<br>0 Gross R Fo | nè<br>Wa<br>Mil |

| _ |    |     | _   | <br>    | _    |  |
|---|----|-----|-----|---------|------|--|
|   | TD | ABI | MAN | <br>OPT | 7016 |  |

**WORLD COMMODITIES PRICES** 

| Ð | First Dealings       | Dec 19 |
|---|----------------------|--------|
|   | Last Dealings        | Jan 6  |
|   | Last Declarations    | Mar 30 |
|   | For settlement       | Api 10 |
| O | rate indications see | end of |

Calls in T. Courie, Holmes Protect, Cheung Kong, Lowndes Quay, ICH, Ratners, Stormgard, Unigate, Eagle Trst, EuroTunnel Ord & Wrntz, Control Secs, WA Hidgs, Owners Abroad.

|                                      |  |                        | <del>.</del>      |                       |                       |                | IRA            | DED OF                                   |                             |                               |  |              |                 |                            |                             |
|--------------------------------------|--|------------------------|-------------------|-----------------------|-----------------------|----------------|----------------|--|-----------------------------|-------------------------------|--|--------------|-----------------|----------------------------|-----------------------------|
|                                      |  |                        | CALLS             |                       | 1                     | PUTS           |                |  |                             |                               | CALLS                                    |              | Feb.            | PUTS                       | Aug.                        |
| Option                               |  | Jan                    | Apr               | Jul                   | Jan                   | Apr            | Jel            | Option                                   |                             | Feb.                          | May                                      | Aug.<br>1 40 | 1 750.          | 7                          | 10                          |
| Allied Lyons                         | 420<br>460                                       | 26                     | 43<br>21          | 54<br>34              | 3 <sup>1</sup> 23     | 104<br>30      | 17½<br>36      | Plesser<br>(*272 )                       | 200<br>220                  | 29<br>14                      | 37<br>23                                 | 26           | 11              | 15                         | 18                          |
| 6440 )<br>Brit. Airways<br>(*161 )   | 160<br>180                                       | 6                      | 13                | 17                    | 4½<br>21              | 7 22           | 翌              | Prodential<br>(*154.)                    | 140<br>160<br>180           | 17<br>4                       | 19<br>7<br>3                             | 2]           | 11<br>28        | 14<br>32                   | 15                          |
| Brit. & Comm.<br>(*204 )             | 200<br>230<br>240                                | 2,5                    | 16<br>8           | 20<br>12<br>6         | 8<br>22<br>49         | 9<br>22<br>40  | 12<br>23<br>42 | Racal<br>(*282.)                         | 260<br>280                  | 31<br>16                      | 40<br>28                                 | 49<br>35     | 11              | 14                         | 120<br>20                   |
| 8.P.<br>(*252.)                      | 240<br>250                                       | 14½                    | 18                | 25½<br>14½            | 112                   | 7½<br>19½      |                | R.T.Z.<br>(*418 )                        | 390<br>420                  | 42<br>19                      | 55<br>37                                 | 45<br>47     | 19              | 27                         | 19<br>32                    |
| British Steel<br>(*62 )              | 50<br>60   | 12<br>3½               | 14                | 15<br>74              | 14                    | 1 24           | 2              | ·  |                             | Feb.                          | May                                      | Sep.         | Feb.            | May                        | Sep.                        |
| Bass                                 | 70<br>750<br>800                                 | 58<br>20               | 82                | 110                   | 9<br>3.<br>17         | 9½<br>8        | 15             | Vaai Reefs                               | 60<br>  70                  | 11<br>34                      | 14                                       | 15           | 2 8             | 55                         | 5<br>12                     |
| (°800 )<br>Cable & Wire              | 360  | 20                     | 48                | 73<br>48              | 17                    | 25             | 30<br>16       | (°\$66 )                                 | 70                          | 1 35                          | 7  | . 7          |                 |                            |                             |
| (*377.)                              | 390  | } 3½                   | 19                | 32                    | 18                    | 23             | 30             |  |                             |                               |  |              |                 |                            |                             |
| Cons. Gold<br>(*1291)                | 1200<br>1250<br>1300                             | 110<br>80<br>45        | 165<br>148<br>120 | 205<br>175<br>155     | 288                   | 50<br>65<br>95 | 85<br>110      | Option                                   | 1 160                       | Mar<br>28                     | Jun<br>36                                | 5ep<br>40    | Mar<br>6        | Jun<br>12<br>20<br>29      | Sep<br>14<br>23             |
| Courtaelds<br>(*253.)                | 240<br>280                                       | ᆲ                      | 22<br>12          | 29<br>19              | 8<br>20               | 12<br>23       | 20<br>32       | (*178 )                                  | 180<br>200                  | 15<br>8                       | 36<br>25<br>15                           | 29<br>-      | 14<br>26        |                            |                             |
| Com. Union                           | 330<br>360                                       | 123                    | 24                | 32                    | - 6<br>24             | 14<br>35       | 18 38          | Barclays<br>(*409 )                      | 390<br>420                  | 35<br>15                      | 77<br>20,7                               | 40<br>28     | 10<br>26<br>85  | 11<br>28                   | 17<br>32                    |
| G.K.N.                               | 280<br>300                                       | 217                    | 30                | 35                    | 3                     | 10             | 끯              |  | 460                         | 4                             | 7<br>36                                  | 48           | 13              | 65<br>22                   | 76<br>52                    |
| Grand Met.                           | 420  | 18                     | 16<br>28          | <del>2</del>          | 81 <sub>2</sub>       | 14<br>35       | 17             | Bige Circle<br>(427 )                    | 460                         | 30                            | 18                                       | 26<br>19     | 35              | 46<br>10                   | - <u>52</u>                 |
| (*432.)<br>1.C.J.                    | 1000   | 3 3                    | 13                | 87                    | 24 `                  |                | 40             | Dixons<br>(*134 )                        | 130                         | 11,                           | 14<br>10                                 |              | 10              | 14                         | 47                          |
| (*10 <u>23</u> )                     | 1050<br>260                                      | 35<br>11<br>14b        | 58<br>32          | 60                    | 37<br>41 <sub>2</sub> | 32<br>32       | 65<br>18       | Glasso<br>(*1084)                        | 1050<br>1100                | 87<br>58                      | 122                                      | 150<br>122   | 28<br>50        | 40<br>62                   | 67                          |
| Jaguar<br>(*270 )<br>Land Securities | 280  | 53<br>14               | 24<br>14<br>70    | 36<br>26<br>83        | 16 2<br>16            | 14<br>25<br>8  | 30<br>12<br>30 | Hawker 5ldd.<br>(°540 )                  | 460<br>500<br>550           | 95<br>60<br>27                | 70<br>37                                 | 81<br>50     | 8<br>21         | 15<br>36                   | 20<br>43                    |
| (*547 )                              | <b>SKS</b>                                       | _ 2                    | 70<br>36<br>14    | 83<br>50<br>27        | 55                    | 22<br>57       | 60             | Hillsdown<br>(°240 )                     | 220<br>240                  | 30<br>15                      | 36                                       | 41<br>26     | 3               | 412                        | 13 2                        |
| Maris & Spencer<br>(*154 )           | 140<br>160,<br>180                               | 17<br>2<br>12          | 22<br>8<br>3      | 24<br>12<br>5         | 715<br>27             | Z 8 2          | 5½<br>11<br>29 | Loarho<br>(*344 )                        | 330<br>360                  | 41<br>28                      | 58<br>44                                 | 64<br>50     | 23              | 35<br>54                   | 41<br>59                    |
| STC                                  | 260  | 13                     | 끊                 | 33                    | 4                     | 11 20          | 13             | Midland Bit                              | 390<br>420                  | 35<br>14                      | 42<br>25                                 | 50<br>30     | 25              | 멅                          | 15<br>32                    |
| (°269 )<br>Sainsbury                 | 280  | 8                      | 16                | 2 <u>1</u>            | 6                     | - 9            | 23             | (°414 )<br>Sears                         | 110                         | 11                            | 15                                       | 17           | 612             | 10                         | 13<br>18                    |
| (°201 )<br>Shell Trass.              | 220<br>317                                       | 1<br>21                | 6½<br>29          |                       | 20                    | 20<br>8        | 22             | (*112 )<br>Trusthouse Forte              | 120                         | 201 <sub>2</sub>              | 10<br>32                                 | 38           | 9               | 11 2                       | 135                         |
| (*335 )                              | 317<br>333<br>350                                | 9<br>3½                | 29<br>17<br>9     | 36<br>26<br>17        | 17                    | 16<br>25       | 17<br>27       | (*254 )<br>Thora £881                    | 260                         | 53                            | 194<br>72                                | 26<br>75     | 19              | 22  <br>19                 | 24 -                        |
| Storehouse<br>(°197 )                | 180<br>200                                       | 23<br>101 <sub>2</sub> | 32<br>23          | 40<br>28              | 13                    | 10<br>16       | 14<br>22       | (*629.)                                  | 650                         | 22                            | 37                                       | 45<br>74     | 12<br>32<br>8   | 45                         | 52<br>14                    |
| Trafalger House                      | 220<br>300                                       | 22<br>8                | 34<br>19          | 끃                     | - 4                   | 13             | 11 20          | Wellcome<br>(*417 )                      | 390<br>420                  | 45<br>25                      | 57<br>40                                 | 53 (         | 20 (            | 24                         | 25                          |
| (=299 )<br>Utd. Biscoits             | 280  | 17                     | 29<br>19          | 35                    | 6                     | 12             | 16             |  |                             |                               |  |              |                 |                            |                             |
| (*289 )<br>Ultramer                  | 280  | 75                     | <del>- 1</del>    | 26<br>47              | 17  <br>              | 22             | 25_            | Option                                   |                             | Jan                           | Mar                                      | Jun          | Jan             | Mar                        | Jun                         |
| (*295 )                              | 294<br>300                                       | 14                     | 25                | 35                    | 14                    | 25             | 33             | British Gas<br>(*160 )                   | 140<br>160                  | 괵                             | 23                                       | 26<br>12     | 312             | 14                         | 712                         |
| Woolworth<br>(*240 )                 | 220<br>240                                       | 8                      | 34<br>15          | 37 日                  | 7                     | 31             | 10<br>14       | Cetion                                   |                             | Jæ I                          |  | -7           | Jan [           | <del></del>                |                             |
| Option                               |  | Apr                    | Jul               | Oct.                  | Apr                   | Jei            | Oct            | RHM<br>(*349 )                           | 330<br>360                  | 25<br>81 <sub>2</sub>         | 19                                       | =1           | 312             | = 1                        | Ξ                           |
| Boots                                | 220<br>240                                       | 25                     | 30<br>16 b        | <del>34</del>         | 7                     | 10             | 132            | 13477                                    |                             | 02.                           | •••                                      | Ī            |                 | _                          |                             |
| (*231.)                              | 290  | 15 1                   | TD-5 (            | 4 1                   | 14 /                  | 10 1           | 1 22           | Option                                   |                             | Mar                           | Jui                                      | Oct          | Mar             | lut                        | Oct                         |
| Option                               | _  | Jaa                    | Apr               | Aug                   | Jan T                 | Apr            | Aug            | · Beecham<br>(°470 )                     | 460<br>500                  | 36<br>16                      | 5).<br>30                                | 왕<br>43      | 35              | 23<br>42                   | 25<br>44                    |
| GEC<br>(*189.)                       | 160<br>180                                       | 30½<br>13              | 34<br>18          | 39<br>25<br>16        | 1 3                   | 21<br>712      | 4              | Unilever<br>(P467 )                      | 460<br>500                  | 30                            | 42                                       | 54<br>34     | 14<br>38        | 19 1                       | 23<br>47                    |
| (*1077                               | 200  | 4                      | 8                 | ĭ                     | 15 İ                  | 172            | 2i             |  |                             | N 1                           | ****** \                                 | N== 1        | Mar 1           | May }                      | Ang                         |
| Option                               |  | Jae                    | Apr               | Jun                   | Jan                   | Apr            | Jun            | Option                                   | 280<br>300                  | 28                            | 29<br>15                                 | Aug<br>37    | 4               | 7                          | 8 17                        |
| Rolls-Royce<br>(*134 )               | 130<br>140                                       | 6<br>12                | 12                | 14<br>81 <sub>2</sub> | 3                     | ıı.            | 9<br>16        | (°298 )                                  | 300<br>140                  | 20 <sup>1</sup> 2             | 25 231 <sub>2</sub>                      | 24           | 9               | 15                         | 212                         |
| 15B<br>(°110 )                       | 100  | 11                     | 12                | 15                    | - 6                   | 3              | 3              | <u>(*156.)</u>                           | 160                         | 6                             | 8 2                                      | 25<br>12     | <del>}</del>    | 712                        |                             |
| (-1,01                               | 110<br>120                                       | 3                      | 5                 | 4                     | 11                    | 3              | 13,5           | Tesco<br>(°135 )                         | 130                         | 12                            | 14                                       | 18<br>12     | 92              | ıl lı                      | 12<br>12                    |
|                                      |  |                        |                   |                       |                       |                |                |  |                             |                               |  |              |                 |                            |                             |
| Option                               | <del>-                                    </del> | Feb.                   | Apr.              | Jüly                  | Feb.                  | Apr.           | July           | Option                                   |                             | Jan                           | Mar                                      |              |                 | Mar                        |                             |
| Ladbroke<br>(°435.)                  | 420<br>440                                       | 28                     | 37                | 48<br>25              | 6 <sup>1</sup> 2      | 29             | 15<br>34       | Enterprise Oil<br>(°472 )                | 460<br>500                  | 30<br>17                      | 50<br>33                                 | = 1          | 15<br>42        | 33                         | <u> </u>                    |
|                                      |  |                        |                   |                       |                       |                |                | Scot. & Newcastl<br>(*388 )              | 390                         | 32                            | 44<br>26<br>15                           | = }          | 3               | 9<br>22<br>37              | =                           |
| Option<br>Brit Aero                  | 420  | Feb.                   | May               | Aug.                  | Feb.                  | May            | Aug.           |  | 1 420 1                     | 2 1                           | 15 1                                     | - 1          | 34 i            | 37 I                       | -                           |
| (*431.)                              | 460  | <u> </u>               | 36<br>17          | 29                    | 36                    | 24<br>46       | 27<br>53       | Option                                   |                             | Feb [                         | May                                      | Aug          | Feb             | May                        | Aug                         |
| 8AA<br>(*270 )                       | 260<br>280                                       | 18                     | 28<br>16          | 33<br>21              | 13                    | 15             | 18             | Conv. 91 <sub>2</sub> % 2005<br>(°1,00 ) | 98                          | 20<br>14                      | = 1                                      | Ξ            |                 |                            | Ξ                           |
| BAT Insts<br>(*456 )                 | 420<br>460                                       | 46<br>16               | 55<br>26          | 65<br>39              | 2 <sup>1</sup> 2      | 23             | 12<br>27       |  | 102                         | - 19                          | <u>-</u> ]                               |              | 25              | -1                         |                             |
| Brit. Telecom<br>(*256 )             | 240<br>260                                       | 3                      | 翌 16              | 32                    | 3                     | 11             |                | Tr. 12% 1995<br>(*106 )                  | 186                         | -<br> ±                       | Ξ1                                       | ΞΙ           | - <u>-</u> -    | = i                        | Ξ                           |
| Cadbury Schweppes                    | 330<br>360                                       | 꺯                      | 35<br>22          | 45                    | 뀵                     | 19 35          | 22             |  | , 1121                      | <b>3</b> 21                   | <i>-</i> 1                               | -,           | - 1             | - 1                        | _                           |
| Guianess<br>(°335)                   | 300  | 44 20                  | 48                | 58<br>36              | 1 <sup>1</sup> 2      | 4              | <u>38</u>      | Option<br>FT-SE   1650                   |                             | Jan F                         | eb Ma                                    | _            | _               | Feb                        | Mar                         |
| LASMO                                | 330<br>360<br>420                                | 80                     | 27<br>11<br>68    | 超 110                 | 24                    | 超 28           | 28             | Index 1700                               | 108                         | 撈                             | 32 14<br>0 10<br>5 67                    | 5 5          | 3<br>6<br>12    | 12                         | 16<br>24                    |
| (*485 )                              | 460<br>500                                       | 50<br>28               | 98<br>70<br>48    | 83                    | 7<br>12<br>38         | 14<br>30<br>50 | 20<br>35<br>53 | 1800<br>1850<br>1900                     | 58<br>81 <sub>2</sub><br>22 | 120 1<br>73 9<br>38 5<br>12 2 | 32 14<br>10 10<br>15 67<br>15 38<br>2 20 | 1 47         | 26.<br>53<br>98 | 12<br>21<br>35<br>63<br>98 | 16<br>24<br>40<br>65<br>101 |
| P. & O.<br>(°535.)                   | 500<br>550<br>600                                | 48<br>14               | 58<br>25          | 65<br>35<br>18        | 25                    | 14<br>35       | 16<br>38<br>75 | 1950<br>December 29                      | 1 2                         | 2                             | 4   -                                    | 147          | 148             | 148                        |                             |
| Plikington<br>(*207 )                | 200  | 14                     | 20<br>11          | 24<br>15              | 67                    | 75<br>10       | 13             | 500011 <b>90 27</b>                      | FT-SE In                    | dex Call                      | s 4963<br>security                       | Puts 28      | 06″ FU          | w 0,44                     | -                           |
| (-207)                               | 220 I  | 4 !                    | 11 1              | ויי                   | 16                    | 20 I           | 23             |  |                             |                               |  |              |                 |                            |                             |

LONDON TRADED OPTIONS

### **LONDON MARKETS**

COFFEE prices advanced rapidly in morning trading on expectations that the US market would make a strong technically-based rally. But disappointment at New York's failure to

tollow through an early advance pared the gains, leaving the second position robusta contract £22 ahead at £1,216 a tonne at the close. Confirmation that a Brazilian collee exporter was unable to meet commitments and has asked for a court-supervised debt settlement had of coffee involved not being significant onough to tighten supplies.
Fundamentals remain constructive and

current rains in Brazil are coming too late to help its damaged crop, dealers said. However, physical interest remains thin ahead of the New Year holiday. On the bullion market platinum continued its recent decline, with the thinness of the post-Christmas market exaggerating the downward move, dealers said.

| SPOT MARKETS   |   |                                      |
|--|---|--------------------------------------|
| Grade oil (per barrel FQB)   | _   | + ar -                               |
| Cubai<br>Brent Blend<br>W.T I (1 pm est)   | \$13.05-3.134<br>\$15.72-5.81d<br>\$16.80-6.854                 | 185                                  |
| Oil products<br>(NWE prompt delivery per f   | onne CIF)   | + 01 -                               |
| Promium Gasoline<br>Gas Cil<br>Heavy Fuol Oil<br>Naphtha<br>Fetroleum Argus Estimate:                              | \$170-173<br>\$153-155<br>\$76-78<br>\$145-148                  | -2<br>-1<br>-0.5                     |
| Other  |   | + or -                               |
| Gold (per tray az)<br>Silver (per tray az)<br>Platenum (per tray az)<br>Palladium (per tray az)                    | \$408.75<br>606c<br>\$510<br>\$133.50                           | -4,50<br>-1<br>-21<br>-3,25          |
| Aluminium (froe market)<br>Copper (US Producer)<br>Lead (US Producer)<br>Nicke) (free market)                      | \$2525<br>1625 <sub>3</sub> -168c<br>411 <sub>6</sub> c<br>820c | -30<br>-1 <sup>1</sup> 2<br>-20      |
| Tim (European free market) Tim (Kesta Lumpur market) Tim (New York) Zinc (Euro Prod Price) Zinc (US Prime Western) | \$4172.5  | -20 0<br>+0.03                       |
| Cattle (live weight)?<br>Sheep (dead weight)?<br>Pigs (live weight)?   | 115.45p<br>158.93p<br>82.41p                                    | + 0.65°<br>-1.53°<br>-1,07°          |
| London daily sugar (raw)<br>London daily sugar (white)<br>Tate and Lylo export price                               |   | +02                                  |
| Earley (English feed)<br>Maise (US No 3 yellow)<br>Wheat (US Dark Northern)  | £115.5a<br>€131<br>£119.50v                                     | -1.25                                |
| Rubber (Spo!)♥<br>Rubber (Fob)♥<br>Rubber (Mar) ♥<br>Rubber (KL RSS No 1 Jan)                                      | 58.25p<br>66.00p<br>66.50p<br>293.0m                            | + 1.25<br>+ 1.25<br>+ 1.25<br>+ 1.25 |
| Coconut oil (Philippinosis<br>Palm Oil (Malayslan)s<br>Copra (Philippinesis<br>Soyaboans (US)                      | \$570u<br>\$400<br>\$370<br>\$193q                              | -10<br>-10                           |
| Cotton "A" index   | 62.35è  |                                      |

E a tonno unless otherwise slated, p-pencollig. c-contollib. r-rings,t/kg. z-Ooc/Jan, w-Fob, v-Apr/ May u-Jan/Feb. q-Jan, x-Jan/ktar. \*\*Theat Commission average lastrock prices. \*\* change from a week ago. \*\*London physical market. 5CIF Rottordam. \*\*Bullson market close. m-Malaysian centukg.

| COCO  | A E/torine  |   | •   |
|---|---|---|---|
|   | Close   | Provious  | High/Low  |
| Dec   | 864   | 859   | 862 858   |
| Mar   | 891   | 890   | 895 886   |
| May   | 993   | 888   | 895 890   |
| Jul   | 896   | 895   | 900 894   |
| Sep   | 836   | 894   | 898 892   |
|   |   | 909   | 910 908   |
| Doc   | 909   | 203   | 310 308   |
| Mar<br>Turnov<br>ICCO<br>price I            | 919<br>rer: 2236 (<br>Indicator ;<br>or Dec 28                          | 918<br>2151) lots o   | 920 918<br>f 10 tonnes<br>is per tonne). Dails<br>145.08):10 day aver   |
| Turnov<br>ICCO<br>price I<br>age to         | 919<br>rer: 2236 (<br>Indicator ;<br>or Dec 28                          | 918<br>2151) lots o<br>pricos (SOR<br>: 1141.17 (1  | 920 918<br>f 10 tonnes<br>is per tonne). Daily<br>145.08):10 day aver   |
| Turnov<br>ICCO<br>price I<br>age to         | 919<br>rer: 2236 (<br>Indicator ;<br>or Dec 28<br>r Dec 29:             | 918<br>2151) lots o<br>pricos (SOR<br>: 1141.17 (1  | 920 918<br>f 10 tonnes<br>is per tonne). Dails<br>145.08):10 day aver   |
| Turnov<br>ICCO<br>price I<br>age to         | 919 rer: 2236 ( Indicator ) or Dec 28 r Dec 29:                         | 918<br>2151) lots o<br>Pricos (SOR<br>: 1141.17 (1<br>1111.74 (110                            | 920 918<br>f 10 tonnos<br>is per tonne). Daily<br>145,08):10 day avor<br>13,94) .                                     |
| Mar<br>Turnov<br>ICCO<br>price I<br>Bage 10 | 919 nor: 2236 (Indicator ) or Dec 28 r Dec 29: E Effanne Close          | 918<br>2151) lots o<br>oricos (SOR<br>: 1141.17 (1<br>1111.74 (110<br>Previous                | 920 918<br>f 10 tonnos<br>is per tonne). Daily<br>145,08):10 day aver<br>13,94) .                                     |
| Mar<br>Turnov<br>ICCO<br>price i<br>age to  | 919 nor: 2236 (Indicator ; or Dec 28: r Dec 29: E E/tonno Close 1210    | 918<br>2151) lots o<br>pricos (SOR<br>: 1141.17 (1<br>1111.74 (110<br>Previous<br>1182        | 920 918<br>1 10 tonnos<br>is per tonne). Daily<br>145.08):10 day aver<br>13.94) .                                     |
| Mar TurnovicCO price i age to COFFE         | 919 or: 2236 (Indicator ) or Dec 28 r Dec 29: E E/tonno Close 1210 1216 | 918<br>2151) lots o<br>pricos (SOR:<br>1141.17 (1<br>1111,74 (110<br>Previous<br>1182<br>1134 | 920 918<br>f 10 tonnes<br>is per tonne). Daily<br>145.08):10 day aver<br>13.94)<br>High/Low<br>1220 1183<br>1225 1195 |

|       | R (\$ por to |          |               |
|-------|--------------|----------|---------------|
| Raw   | Claso        | Previous | High/Low      |
| Mar   | 250.20       | 251.60   | 251.80 249.40 |
| May   | 247.20       | 249.80   | 248 00 046.60 |
| Aug   | 240 20       | 241.00   | 241.60 239 00 |
| Oct   | 235.00       | 237.60   | 235.20 234.40 |
| Dec   | 230 00       | 230 00   | 227 00        |
| White | Close        | Previous | High/Low      |
| Mar   | 285.50       | 287.00   | 286.50 284.00 |
| May   | 282.00       | 283 00   | 282.50 280.50 |
| Aug   | 282.50       | 233.50   | 283.00        |
| Oct   | 275.50       | 277.00   | 276.00 274.40 |

| LONDON METAL EXC     | HANG | TRAL |     | PTIQ  |
|----------------------|------|------|-----|-------|
| Aluminium (99 7%)    | C    | olio | F   | rits. |
| Strike price 5 tonne | Jan  | Mar  | Jan | Ma    |
| 2400                 | 181  | 178  | 1   | 60    |
| 2500                 | 74   | 122  | 14  | 102   |
| 2500                 | 20   | 79   | 60  | 157   |
| Copper (Grade A)     | C.   | i)is | F   | nis   |
| 3100                 | 313  | 234  | 3   | 189   |
| 3300                 | 141  | 152  | 29  | 313   |
| 3500                 | 38   | 94   | 126 | 452   |

| FRUIT AND VEGITABLES                         |
|--|
| Fruit supplies remain good with prices       |
| stable, reports FFVIB. Cox's apples are      |
| 35-65p a lb, conference pears 25-45p and     |
| oranges 8-25p each, Seasonal favouriges      |
| like salsumas 30-50p s lb and elementines    |
| 25-50p continue to be ploutiful and both     |
| banona: 40-58p and lemons 12-18p cech        |
| remain stable. The continuing mild weather   |
| means that supplies of homegrown             |
| vegetables are still suporb, with brussels   |
| sprouts 15-27p a lb, carrots 10-25p, cabbage |
| 14-30p and potatoes 9-16p. The price of      |
| cauliflowers 45-95p each remains the same,   |
| as do leeks 40-55p a lb. and mushrooms       |
| 40-75p a ½ ib. There have been no changes    |
| In the prices of tomatoes at 40-65p a lb,    |
| sucumbers 60-80p each, celery 40-60p a       |
| head and spring orions 25-45p a bunch.       |

# LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Tradi

|              | ~              | Constant         | Left-to a second | 111.00                | 1a) 14a h 11a   |                    |
|--------------|----------------|------------------|------------------|-----------------------|---|--------------------|
|              | Close          | Previous         | High/Low         | AM Offic              |   |                    |
| Abminion     | 1, 99.7% port  | y (\$ per tonne) |                  |                       | Ring to   | imover 8,025 tons  |
| Cash         | 2557-62        | 2550-60          |                  | 2525-30               |   |                    |
| 3 months     | 2465-70        | 2465-8           | 2475/2445        | 2447-8                | 2470-5  | 22,774 lots        |
| Copper, G    | rade A (E per  | tonne)           |                  |                       | Pling tur   | nover 28,925 tonn  |
| Cash         | 1914-9         | 1930-5           | 1928/1922        | 1920-2                |   |                    |
| 3 months     | 1738-9         | 1750-1           | 1758/1734        | 1747-9                | 1 <b>738-9</b>  | 67,177 lots        |
| Silver (US   | cents/fine ou  | nce)             |                  |                       | F   | ling turnover 0 oz |
| Cash         | 600-3          | 602-5            |                  | 602-4                 |   |                    |
| 3 months     | 614-7          | 616-9            |                  | 616-8                 |   | 486 lots           |
| eq 2) bea.   | r tonne)       |                  |                  |                       | Ring to   | mover 4,650 tonn   |
| Cash         | 395-6          | 399-401          | 395              | 393-4                 |   |                    |
| 3 months     | 389-30         | 391-2            | 392/390          | 390-1                 | 389-90  | 9,762 loss         |
| Nickel (\$ p | er tonno)      |                  |                  |                       | Ring tu   | mover 1,470 tonn   |
| Çash         | 18200-50       | 18850-850        | 18250/181        |                       |   |                    |
| erisnom C    | 16400-500      | 16600-50         | 16700/163        | 50 1 <u>6</u> 399-40( | 16300-400   | 5,672 lots         |
| Zînc, Spet   | Jai High Grad  | e (\$ per tonne) |                  |                       | Ring tu   | mover 1,550 tonn   |
| Cash         | 1610-20        | 1640-5           |                  | 1615-25               |   |                    |
| 3 montes     | 1565-75        | 1585-95          |                  | 1570-7                | 1570-80   | 2,355 tota         |
| Zine (\$ po  | tenne)         |                  |                  |                       | Ring tu   | mover 5,300 torin  |
| Cash         | 1605-15        | 1640-5           |                  | 1617-20               |   |                    |
| ardnom &     | 1550-5         | 1557-70          | 1560/1555        | 1558-62               | 1555-60   | 11,409 lots        |
| POTATOE      | S. S. Stonne   |                  |                  | LONDON BU             | LLION MARKE   | <del></del> _      |
| C            | Iose Previ     | ous High/Low     |                  | Gold (line oz)        | \$ price  | £ ogulvalent       |
| eb           | 80.0 65.0      |                  |                  | Close                 | 40812-409   | 22814-22814        |
|              | B8.5 91.2      |                  |                  | Cpening               | 4134-4144   | 2814-2324          |
| Vay 1        | 03.0 106.2     | 104.0 102.5      |                  | Morning flx           | 413.1   | 230.718            |
| Jumover 7    | 3 (80) lots at | 40 tonnes.       |                  | Afternoon fix         |   | 228.99\$           |
|              | . ,,           |                  |                  | Day's high            | 413 <sup>3</sup> 4-414 <sup>3</sup> 4<br>407 <sup>3</sup> 5-408 |                    |
|              |                |                  |                  | Day's low             | 401 -5-400  |                    |

| BOYA              | BEAH MEA                   | L Ettonne                  |                         | Coins                                 | \$ price  | £ equivalen  |
|-------------------|----------------------------|----------------------------|-------------------------|---------------------------------------|---|--|
|                   | Close                      | Previous                   | High/Low                | Maplefeat                             | A20-425   | 23412-23712  |
| Fob<br>Apr<br>Jun | 170.00<br>173.00<br>165.00 | 167.30<br>176.00<br>161.50 | 172,50 171.00<br>162.00 | Britannia US Eagle Angel Krugerrand   | 420-425<br>420-425<br>4201 <sub>2</sub> -4251 <sub>2</sub><br>407-410 | 23412-23712<br>23412-23712<br>23412-23718<br>22714-22914 |
| Turno             | ver ?4 (15)                | lots of 20                 | .esennot                | New Sov.                              | 96-97   | 5312-5414  |
|                   |                            |                            |                         | Old Sav.<br>Noble Plat                | 96-97<br>528-3-538 <u>,2</u>  | 53 <sup>1</sup> 2-54 <sup>1</sup> 4<br>296,15-301,7      |
| FREIG             | HT FUTUR                   | ES \$10/Inde               | x point                 | Nobte Plat                            | 528.3-538.2   | 296, 15-301.7  |
| FREIG             | HT FUTUR                   | EB \$10/Inde               | x point<br>High/Low     | Nobte Plat - Silver fix               | 528.3-538.2<br>p/fine az  | 296,15-301,7<br>US ats equi                              |
|                   |                            |                            |                         | Nobte Plaz  Silver fix  Spot          | 528.3-538.2<br>p/fine az<br>338.90                                    | 296,15-301.7<br>US ets equi                              |
| Jan               | Close<br>1590<br>1635      | Previous<br>1587<br>1631   | High/Low                | Noble Plaz  Silver fix  Spot 3 months | 528.3-538.2<br>p/fine az<br>338.90<br>349.60                          | 236, 15-301, 7<br>US ots equi<br>606,00<br>620,90        |
| Jan<br>Feb<br>Apr | Close<br>1590              | Previous<br>1587           | High/Low<br>1538 1590   | Nobte Plaz  Silver fix  Spot          | 528.3-538.2<br>p/fine az<br>338.90                                    | 296, 15-301, 7<br>US ets equi                            |

CRUDE OIL S/barrol

GAS Oil. S/tonne

Jan Feb Mar Apr May Jun Jul

Feb 15.32 15.55 Mar 15.03 15.28 IPE Index 15.50 15.63

Close Previous High/Low

Close Previous High/Low

149.50 152.25 146.50 148.75 141.50 144.00 136.75 138.75 133.25 135.00 131.00 131.75 130.50 133.00

15 50 15.28 15.18 15.00

152.25 149.25 148.50 146.25 144.00 141.50 138.25 136.50 133.50 132.00

| GRAIMS | Stonne | _        |               |
|--------|--------|----------|---------------|
| Wheat  | Close  | Previous | Hilgh/Low     |
| Jan    | 111.50 | 111,20   | 111.60 111.30 |
| Mar    | 115.20 | 114.95   | 115.30 115.05 |
| May    | 118.60 | 118.40   | 118.75 118.50 |
| Jun    | 120.15 | 119.90   | 120.15        |
| Bartey | Close  | Previous | High/Low      |
|        | 107.80 | 107.75   | 108.05 107.80 |
| Mar    | 111.85 | 111.75   | 112.00 111.85 |
| May    | 113.80 | 113.65   | 113.80        |

Turnover: Wheat 172 (69) . Barley 92 (20) . Turnover lots of 100 totoles.

Turnover 456 (421)

| ling)      | US MARKETS  |
|------------|---|
| est<br>Mne | IN THE metals, technical selling in the gold and silver markets sent prices                                       |
| nne        | below key support levels, reports<br>Drexel Burnham Lambert. February<br>gold fell over 6 dollars while the March |
| паз        | silver lost 9 cents. Platinum and<br>copper prices were firm in quieter   |
| 023        | trading. The soft commodities featured  |

trading. The soft commodities featured a slow day in the sugar and cocoa markets. Coffee again gained 694 in March as its upward trend continues. In the grains, fund selling weakened the bean oil market. The soymeal futures were steady as commercial buying and commission house spreading was featured. Corn and wheat markets were quiet with some realigning of spreads seen. In the meats, cattle futures slipped as the European ban on beef imports European ban on beef imports containing growth hormones weighed on the market. The pork belly and hog futures featured mixed trading as large weekly movement of beliles into cold storage and steady lower cash prices put pressure on the futures. The energy markets fell slightly in moderate volume. Trade groups were mixed with no news to report.

| COL  |          | oz.; \$/troy o | <u> </u> |       |
|------|----------|----------------|----------|-------|
|      | Close    | Previous       | High/Lo  | -     |
| Jan  | 408.2    | 414.4          | 0        | 0     |
| Feb  | 410.5    | 416.6          | 413.8    | 400.5 |
| Apr  | 415.6    | 422.0          | 419.0    | 415.0 |
| Jun  | 420.8    | 427.4          | 423.9    | 420.0 |
| Aug  | 426.2    | 433.0          | 429.0    | 427.0 |
| Oct  | 431.7    | 438.7          | 435.0    | 432.5 |
| Dec  | 437.2    | 444.4          | 441.8    | 438.5 |
| Feb  | 410.5    | 416.6          | 413.8    | 409.5 |
| PLAT | NUM 50 b | roy oz, \$/tro | y OZ.    |       |
|      | Close    | Previous       | High/Lo  |       |
| Jan  | 515.0    | 510.0          | 515,0    | 502.0 |
| Apr  | 514.8    | 510.5          | 515.0    | 501.0 |
| Jul  | 509.0    | 511.0          | 513.0    | 501.D |
| Oct  | 507.D    | 512.5          | 610.5    | 505.0 |

|   | PLATI | NUM 50 6      | roy oz, \$/tro    | y oz.         |        |
|---|-------|---------------|-------------------|---------------|--------|
|   |       | Close         | Previous          | High/Low      |        |
|   | Jan   | 515.0         | 510.0             | 515.0         | 502.0  |
| - | Apr   | 514.8         | 510.5             | 515.0         | 501.0  |
| _ | Júl   | 509.0         | 511.0             | 513.0         | 501.D  |
| _ | Oct   | 507.0         | 5125              | 610.5         | 505.0  |
|   | Jan   | 5120          | 514,5             | <i>5</i> 12.0 | 512.0  |
|   |       |               |                   |               |        |
|   | SHYE  | R 5,000 tr    | Oy OZ; Çenb       | troy az       |        |
| _ | _     | Close         | Previous          | High/Low      |        |
| _ | Jan   | 599.8         | 608,9             | 603,S         | 603.0  |
|   | Feb   | 604.3         | 613.8             | 0             | 0      |
| - | Mer   | 609.3         | 818,9             | 617.0         | 607.5  |
|   | May   | 618.7         | 629,4             | 627.0         | 618.0  |
|   | Jul   | 630.5         | 840,4             | 636.0         | 628.0  |
| _ | Sep   | 640.9         | 650.8             | 648.0         | 645.0  |
|   | Dec   | 656.3         | 566.2             | 665.0         | 654.0  |
|   | Jan   | 8.037         | <del>870.</del> 5 | 666.0         | ,866.Q |
| _ | Mer   | 571.g         | 681.9             | 673.0         | 673.0  |
| • | May   | 682 <u>.9</u> | 692.9             | 0             | 0      |
| - |       |               |                   |               |        |
| - | COPP  | ER 25,000     | lbs: cents/i      | bs            |        |
|   |       | Close         | Previous          | High/Low      |        |
|   | Jan   | 152.50        | 150.40            | 153.00        | 149.70 |
|   | Feb   | 144,50        | 143.20            | 143.00        | 143.00 |
|   | Mer   | 137.20        | 135 90            | 137.80        | 134.20 |
|   | May   | 125.20        | 128.30            | 128.90        | 124.00 |
|   | đui 🖁 | 122.40        | 122.20            | 121.50        | 120.50 |
| - | Sep   | 119.20        | 118,80            | 119.00        | 116.00 |
|   | Dec   | 115.60        | 115.40            | 115.50        | 114,00 |
|   |       |               |                   |               |        |

| Feb 18.83 18.97 17.04 18.78  Mar 18.23 18.47 12.28  Apr 18.03 18.14 16.11 15.96  Apr 18.05 15.96 15.95 15.50 Mar 80344  Aug 18.61 15.96 16.95 15.50 Mar 80344  Aug 18.61 15.96 16.95 15.50 Mar 80344  Sep 19.33 18.61 15.70 15.50 Jul 8096  CC 18.45 15.57 16.47 15.50 Jul 8096  HEATRICOM. 42.000 US gails, cents/US gails  Latest Previous High/Low  Latest Previous High/Low  Latest Previous High/Low  Jun 4520 4465 4873 4866 4820 Jan 73744  Aug 4450 4465 4873 4866 4820 Jan 22.84  May 4430 14465 4831 4831 4825 Oct 24.40  Dec 24.35  Sep 4445 4883 4445 4425 Sep 24.30  CCOCOA 10 tomnes: \$1000000000000000000000000000000000000   | _        | Latest     | Previous     | High/L         | ON!         |              |                |      |
|--|----------|------------|--------------|----------------|-------------|--------------|----------------|------|
| Mar   16.32   16.48   16.47   16.28   Apr   16.03   16.44   16.11   15.96   Mar   768.76   Mar   | Feb      | 16.83      | 16.97        |                |             | SOY          | BEANS S        | .00  |
| May   15.86   15.96   15.95   15.90   May   15.85   15.96   15.95   15.95   May   814/4  | Mar      |            |              |                |             |              | Closs          |      |
| Aug 15.61 15.69 16.68 16.55 May 814/4 Sep 15.53 18.61 16.70 15.50 Jul 829/6 Oct 15.45 15.57 16.46 15.45 Jul 829/6  HEATRING Oil 42,000 US galls, cents/US galls  Letest Previous High/Low Jan 5280 5349 8945 5280 Sep 15.50 5246 8945 5280 Mar 4930 4961 4994 4810 Jun 4375 4933 4933 4340 May 23.12 Jun 4375 4933 4933 4326 Jul 24.13 Jul 4329 4931 4994 4810 Jun 4375 4931 4376 4373 5899 3445 4483 4445 4425 Sep 24.30 COCOA 10 tomnes; Frontes  Close Previous High/Low Mar 1494 1483 1494 1500 1490 May 1492 1494 1500 1490 Mar 25.17 Jul 1490 1489 1499 1491 May 25.7 Jul 1590 1518 0 0 0 Aug 24.0  COFFEE "C" 37,500tbs; cents/lbs  Close Previous High/Low Mar 150.49 1503 0 0 0 Aug 24.0 May 1519 1518 0 0 0 Aug 24.0 Sep 279.4  Mar 150.5 148.29 154.25 150.55 Jul 150.5 148.29 144.00 149.00 Hay 10.31 Jul 180.5 148.29 154.25 150.55 Jul 180.89 152.00 148.00 May 2827.4 Jul 180.8 162.0 148.00 149.00 May 2827.4 Jul 180.8 162.0 148.00 149.00 May 2827.4 Jul 180.8 162.0 150.00 148.00 May 2827.4 Jul 180.7 10.99 10.71 10.60 Oct 27.65 57.95 59.5 57.95 Mar 11.10 11.15 11.21 10.00 Mar 10.99 10.71 10.60 Cott 10.42 10.47 10.47 10.37 Jul 190.8 59.9 55.9 57.95 Mar 57.90 57.96 59.3 50 57.90 Mar 10.20 10.21 0 0 0 Mar 157.90 58.25 57.25 57.25 May 57.90 57.96 59.3 50 57.90 COTTON 50.000; cents/lbs  CORSE Previous High/Low Mar 150.5 56.95 157.55 157.10 Feb 48.27 Jul 157.50 158.55 10.57.55 157.10 Feb 48.27 Jul 157.50 158.55 157.55 157.50 Jul 74.02 Jul 157.50 158.55 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0   | ADT      |            |              |                |             | Jan          | 788/6          |      |
| NEATING Oil. 42,000 US galls, carnts/US galls   Sep 765,70   |          |            |              |                |             |              |                |      |
| HEATING Oil. 42,000 US gails, cents/I/S gails  |          |            |              |                |             | May<br>Jul   |                |      |
| Littlest   Previous   High/Low   Jan   728/12  | υα       | 10.45      | 15.57        | 70.48          | 15.45       | Aug          |                |      |
| Latest   Previous   High/Low   Jan   737/4   | 10T A    | This or    | 40,000 110   |                | -4.40       |              |                |      |
| Sep   1494   1483   1503   1490   1491   1491   1518   1518   1520   1491   1492   1491   1492   1491   1492   1491   1492   1491   1492   1492   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1494   1493   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1493   1491   1492   1494   1494   1   | nea      |            |              |                |             |              |                |      |
| Fieb 5180 5248 5250 5160 Close Mar 4830 4891 4894 4810 Mar 4830 4895 4873 4886 4820 May 4450 4483 4480 4420 Mar 23.284 May 4450 4483 4860 4420 Mar 23.284 May 4450 4483 4833 4333 4325 Jul 4329 4383 4383 4325 Sep 4445 4483 4445 4425 Sep 24.30 CCCQA 10 tommes; \$/tommes  Close Previous High/Low  Mar 1494 1483 1503 1490 Jul 254.9 Jul 1492 1494 1500 1487 Mar 257.1 Jul 1490 1489 1499 1491 Mary 255.7 Sep 1494 1493 1494 1492 Jul 256.5 Sep 1494 1493 1594 1499 Jul 259.5 Sep 1494 1493 1594 1493 Jul 259.5 Sep 1494 1493 1594 1594 1499 Jul 259.5 Sep 1494 1493 1594 1594 1594 1594 1594 1594 1594 1594   | -        |            |              |                |             |              |                | Lô   |
| Mar 4930 4991 4894 4810 Apr 4450 4465 4873 4886 4820 May 4430 4483 4480 4420 Mar 23.12 Jun 4575 4983 4983 4983 4925 Jul 4575 4983 4983 4983 4925 Jul 4575 4983 4983 4983 4982 Jul 4575 4983 4983 4983 4982 Aug 4375 4413 4375 4975 Sep 4445 4483 4445 4425  CCOCOA 10 tonnes;  | Feb      | 5180       | 5246         | \$250          |             |              |                |      |
| May   4420   4483   4480   4430   4430   4437   23.12     Jun   4375   4413   4383   4325   4325   4413   24.13     Aug   4375   4413   4445   4425   549   24.20     Aug   4375   4413   4445   4425   549   24.20     CCOCOA 10 tennes;3/tennes  |          |            |              |                |             | Jan          |                | _    |
| Jul   4329   4383   4383   4325   Aug   24.20  |          | 4430       | 4483         | 4480           |             |              | 23.12          |      |
| Aug 4375 4413 4375 4475 Sep 24.30 Sep 4445 4483 4445 4425 Sep 24.30 Cct 24.40 Dec 24.33 Cct 24.40 Dec 24.33 Cct 24.40 Dec 24.33 Cct 24.40 Dec 24.30 Mar 1480 1483 1503 1480 May 1482 1480 1489 1481 May 255.7 Sep 1484 1483 1503 0 0 Aug 28.0 Mar 1504 1503 0 0 Sep 248.0 Dec 24.0   |          |            |              |                |             | Jul          | 24.13          |      |
| Sep  | Aug      |            |              |                |             | Aug          | 24.20          |      |
| COCOA 10 tonnes;3/tonnes  Close Previous High/Low  Mar 1494 1493 1693 1693 1490 Mar 257.1 Jul 1490 1493 1494 1500 1487 Mar 257.1 Jul 1490 1493 1494 1490 Mar 257.1 Jul 1490 1493 1494 1492 Jul 263.5 Sep 1494 1493 1694 1492 Jul 263.5 Mar 1504 1503 0 0 Aug 249.0 May 1519 1518 0 0 Sep 239.0 COFFEE "C" 37,500lbs; cents/lbs  Close Previous High/Low  Mar 168.98 152.04 149.50 154.96 Jul 190.25 146.26 152.00 148.50 Jul 190.25 146.26 152.00 154.50 Jul 190.25 146.26 152.00 154.50 Jul 190.25 146.50 154.50 Jul 190.25 146.50 154.50 Jul 190.25 146.50 154.50 Jul 190.25 146.50 148.50 Jul 190.25 146.50 Jul 190.25 146.50 Jul 190.25 146.50 Jul 1   | Sep      | 4445       |              | 4445           | 4425        |              |                |      |
| Close  |          |            |              |                |             |              |                |      |
| Mar 1494 1485 1503 1490 May 1492 1484 1500 1487 May 1492 1484 1500 1487 May 1491 1489 1499 1491 May 257.1 May 1501 1518 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0  | 500      |            |              |                |             | SOYA         | BEAN W         | Ą    |
| May 1492 1494 1500 1497 May 257.1  Sep 1494 1483 1494 1492 Jul 252.5  Mar 1504 1503 0 0 Aug 249.0  May 1519 1518 0 0 Sep 239.0  Close Previous High/Low  Mar 158.9 148.29 154.25 150.55  Jul 150.25 146.26 152.00 148.50  May 153.10 148.29 154.25 150.55  Jul 150.25 146.26 152.00 148.50  Dec 148.80 143.25 146.00 148.00  Jul 200.2  SUGAR WORLD "11" 172.000 ibs; cents/lbs  Close Previous High/Low  Mar 1.1.10 11.15 11.21 11.07  May 10.93 10.96 11.00 10.88  Jul 10.67 10.69 10.71 10.60  Oct 10.42 10.47 10.47 10.37  Mar 10.20 10.21 0 0 May 224/2  Jul 200.2 10.21 0 0 May 224/2  May 9.93 9.90 9.95 9.95  COTTON 50,000; cents/lbs  Close Previous High/Low  Mar 57.85 57.83 68.22 57.75  May 57.96 57.95 59.30 57.80  Close Previous High/Low  Mar 15.90 158.80 169.50 169.70  Close Previous High/Low  Mar 15.90 158.50 169.70  Close Previous High/Low  Mar 15.90 158.50 169.70  Close Previous High/Low  Mar 15.90 159.55 57.25 57.95  Jul 157.95 157.85 157.95 Jul 157.90  Close Previous High/Low  Mar 15.90 158.80 169.50 169.70  Close Previous High/Low  Mar 15.90 158.80 169.50 169.70  Close Previous High/Low  Mar 15.90 158.65 157.75 157.90  Apr 15.50  Close Previous High/Low  Mar 15.90 158.65 157.75 157.90  Apr 45.72  May 157.10 157.25 157.95 157.10  Apr 45.72  May 157.50 156.55 157.55 156.75  Apr 45.72  Apr 45.72  May 155.75 156.25 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0   |          |            |              |                | OW          |              | Close          | _    |
| Jul 1490 1489 1489 1491 May 255.7  Sep 1494 1483 1494 1492 Jul 263.5  Mar 1504 1503 0 0 0 Aug 249.0  May 1519 1518 0 0 0 Sep 239.0  CC 224.0  CD 229.0  CD 219.8  MARZE 5,000 b.  MARZE 5,000  |          |            |              |                |             |              |                | _    |
| Sep   1484   1483   1.694   1482   Jul   262.5   May   1519   1518   0   0   0   0   0   0   0   0   0   | Jul      | 1490       | 1489         | 1499           |             |              |                |      |
| May   1519   1518   0   0   Sop   238.0   Oct   224.0   Oct   Oc   |          |            |              |                |             | Jul          | 263.5          |      |
| COFFEE "C" \$7,600lbs; center/lbs  Close Previous High/Low  Mar 158.98 158.09 154.95 155.55 Jul 150.25 146.26 152.00 148.50 May 153.10 148.29 154.25 150.55 Jul 150.25 146.26 152.00 148.50 Dec 148.80 143.25 146.00 148.00 Dec 27144  Close Previous High/Low  Mar 278/4 May 10.93 10.96 11.00 10.88 Dec 11.00 10.87 10.89 Dec 11.42 10.47 10.47 10.37 Mar 10.20 10.21 0 0 0 0 0 Mar 10.20 10.  |          |            |              |                |             |              |                |      |
| Close  |          |            |              | -              | -           |              |                |      |
| MARZE 5,000 bs   | COFF     | EE "C" 37  | ,500lbs; ce  | nts/ibs        |             | - Dec        | 219.9          |      |
| May   153.10   148.26   154.25   150.55   150.55   146.26   152.00   148.50   148.20   148.00   148.   |          | Close      | Previous     | High/Lo        | w           |              |                | _    |
| Juli 150.25 146.25 145.20 148.50 Mer 282/4 Sep 147.80 144.00 149.00 148.00 Mer 287/4 Dec 148.80 143.25 146.00 148.00 Juli 290/2 SUGARI WORLD "11" 112.000 lbs; cents/lbs  Close Previous High/Low Mer 278/4 Mer 11.10 11.15 11.21 11.07 WHEAT 5.000 lbm, 10.93 10.96 11.00 10.88 Juli 10.67 10.69 10.71 10.80 Close Oct 10.42 10.47 10.47 10.37 Mer 436/5 Juli 10.67 10.69 10.71 10.80 Close Oct 10.42 10.47 10.47 10.37 Mer 436/5 Juli 10.69 10.95 0 .0 Mer 424/2 Mer 10.20 10.21 0 0 Juli 393/0 Mer 10.20 10.21 0 0 Juli 393/0 Mer 57.80 57.80 58.25 57.00 Juli 393/0 Mer 57.80 57.80 58.25 57.00 Apr 75.50 Dec 405/0 Dec 56.79 57.10 57.10 56.70 Aug 71.72 DRANGE JURCE 15.000 lbs; cents/lbs  Close Previous High/Low  Close Previous High/Low  Close Frevious High/Low  LIVE CATTLE 4  Close Sc.73 57.10 57.10 56.70 Aug 71.72 DRANGE JURCE 15.000 lbs; cents/lbs  Close Frevious High/Low  LIVE HOGS 30.0  LIVE HOGS 30.   |          |            |              |                |             | - MALC       |                | ım   |
| Sep 147.80 144.00 149.00 148.00 May 287/3 Doc 148.80 143.25 146.00 148.00 Jul 290/2 SUGAR WORLD "11" 112.000 lbs; cents/lbs Dec 278/4 Las 8.01 8.03 0 0 May 282/0 Mar 11.10 11.15 11.21 11.07 WHEAT 5.000 lb Mary 10.93 10.96 11.00 10.88 Jul 10.97 10.99 10.77 10.80 Doc 10.42 10.47 10.47 10.37 Mar 436/6 May 9.33 9.80 9.85 9.95 Sep 388/0 DOTTON 50.000; cents/lbs  Close Previous High/Low  LIVE CATTLE 4  Close Previous High/Low  Close Previous High/Low  Close Previous High/Low  Close Previous High/Low  LIVE CATTLE 4  Close Previous High/Low  LIVE CATTLE 4  Close Previous High/Low  LIVE HOGS 30,0  LIVE HOGS   |          |            |              |                |             |              |                | _    |
| 148.00   148.25   148.00   1   | Sep      | 147.80     | 144.00       | 149.00         |             |              |                |      |
| Close  |          |            |              | . <u> </u>     |             | Jul          | 290/2          |      |
| Close  | BUGJ     |            |              | 000 lbs; ce    | nts/lbs     |              |                |      |
| Sear   |          |            | Previous     | High/Lo        | w           | Mar          | 278/4          |      |
| May 10.93 10.96 11.00 10.88 Close Close 10.47 10.69 10.47 10.47 10.37 Mar 456/6 lan 9.50 9.55 0 0 May 42.4/2 lan 9.50 9.55 0 0 May 45.5/6 lan 15.75 156.25 0 0 May 45.5/2 lan 155.75 156.25 0 0 0 Close 10.5/7 lan 156.75 lan 156   |          |            |              |                |             |              |                | _    |
| International   Internationa   |          |            |              |                |             | WHEA         | T 5,000 b      | и п  |
| Section   Sect   |          |            |              | 10.77          | 10.60       |              | Close          |      |
| Mar 10.20 10.21 0 0 Jul 303/0 304/0 9.93 9.95 9.95 398/0 Dec 405/0 Dec 46.55 30.0 Sep 238/0 Dec 46.55 Sep  |          |            |              |                |             |              |                |      |
| May 9.93 9.90 9.95 9.95 Sep 208/0  COTTON 50,000; centa/bs  Close Previous High/Low  Mar 57.96 57.93 58.23 57.75 Feb 73.90 Mil 57.90 58.20 58.25 57.90 Apr 75.50 Not 57.90 57.25 57.25 57.95 Jun 74.02  Dec 56.79 57.10 57.10 56.70 Sep 71.37  Close Previous High/Low  Elive Hock 30,0  LIVE CATTLE 48  Close  Feb 73.90  Apr 75.50  Apr 75.50  Close Frowing High/Low  LIVE HOCK 30,0  LIVE  | Mar.     | 10.20      | 10.21        |                | Ö           |              |                |      |
| Close  | day      | 9.93       | 8.50         | 9.95           | 9.95        | Sep          |                |      |
| Close  | NTO.     | ON 50,000: | cents/tbs    |                |             |              |                | _    |
| May 57.85 57.83 58.23 57.75 Feb 73.90 May 57.90 57.96 58.30 57.80 Apr 75.50 Doct 57.05 57.25 57.25 57.95 Jun 74.02 Doc 56.73 57.10 57.10 56.70 Sep 71.37 Doct 57.05 57.25 57.26 57.05 Jun 74.02 Doc 56.73 57.10 57.10 56.70 Sep 71.37 Doct 70.85 Doc 71.80  LIVE HOGS 30,0 May 157.95 157.65 158.75 167.90 Close May 167.10 157.25 157.95 157.10 Feb 48.52 UNI 157.50 156.95 157.75 157.00 Apr 45.72 Sep 166.55 166.55 157.55 156.75 Jun 49.87 Sep 155.75 156.25 0 O Aug 49.20 May 155.75 156.25 0 O Oct 45.45 May 155.75 156.25 O O May 49.20 May 155.75 156.25 O O Oct 45.45 May 155.75 156.25 O O Oct 45.45 May 155.75 156.25 O O Oct 45.45 May 45.32 Jul 46.67 Doc 26 Doc 27 month ago yr ego May 45.32 Jul 46.67 Doc 37.80 Doc 38 Doc 27 month ago yr ego May 45.32 Jul 46.67 Doc 37.80 Doc 38 Doc 27 month ago yr ego May 45.32 Jul 46.67 Aug 48.15  |          |            |              | High/Los       | <del></del> | LIVE         |                | ),00 |
| May   \$7.90   \$7.96   \$8.30   \$7.80   \$7.90 | Mar      | 57.85      | 57.93        |                |             | ·            |                |      |
| Dec 57.05 67.25 57.25 57.05 Jun 74.02 20 58.79 57.10 57.10 58.70 Aug 71.72 Sep 71.37 Dec 77.85 Dec 8.75 157.10 157.25 157.85 158.75 157.00 LIVE HOGS 30.0 Close 159.75 157.10 Feb 45.52 LIVE HOGS 30.0 LIVE HOGS 30   | day      | 57.90      | 57.96        | 59.30          | 57.80       |              |                |      |
| Aug 71.72  Sep 71.87  RANGE JURCE 15,000 lbs; cents/lbs  Close Previous High/Low  an 159.20 159.50 160.50 159.10  LIVE HOGS 30.0  LIVE HOGS 30.0  Close 157.50 157.95 157.10  Feb 48.82  Feb 167.50 157.25 157.95 157.10  Aug 49.87  Aug 71.72  Close 71.80  LIVE HOGS 30.0  Close 157.50 157.50 157.10  Feb 48.82  Feb 165.55 166.55 157.65 159.75 Jun 49.87  OV 166.00 157.25 0 0 Jul 50.05  Aug 49.20  Aug 49.20  Aug 45.45  Dec 46.55  REUTERS (Base: September 18 1931 = 100)  Dec 25 Dec 27 moth ago yr ago  May 45.32  May 45.32  Jul 46.67  Aug 45.32  Aug 46.67   |          |            |              |                |             | -dun<br>-dun |                |      |
| RANGE JUICE 15,000 lbs; cents/lba  Close Previous High/Low  In 158.20 158.80 160.50 169.10  LIVE HOGS 30,0  LI   |          |            |              |                |             | Aug          | 71.72          |      |
| Cicse Previous High/Low  In 159.20 158.80 160.50 159.10 LIVE HOGS 30,0  lax 157.95 157.65 158.75 157.00 Cicse  laxy 157.10 157.25 157.95 157.10 Fee 48.82  lep 196.55 156.55 157.55 157.00 Apr 45.72  lep 196.55 156.55 157.55 158.75 Jun 49.87  lov 156.00 157.25 0 0 Jul 50.05  lax 155.75 156.25 0 0 Aug 49.20  lax 155.75 156.25 0 0 Oct 45.45  laxy 155.75 156.25 0 0 Cot 45.55  laxy 155.75 156.25 0 0 Cot 45.45  laxy 155.75 156.25 0 0 Cot 45.55  laxy 155.75 156.25 0 Cot 45.45  laxy 155.75 156.25 0 Cot 45.45  laxy 157.10 Live High/Low  laxy 157.10 Live HOGS 30.00  laxy 157.95 157.15  laxy 157.95 157.95  laxy 157.95  laxy 157.95  laxy 157.9   | <u> </u> |            |              |                |             |              |                |      |
| Close  | RAN      | GE JUICE   |              | сепіз/Іва      |             |              |                |      |
| 158.20   |          | Close      | Previous     | High/Lou       | ·           | LIVE H       |                | _    |
| ### 157.10 157.25 157.95 157.10 Feb 48.82 ul 157.50 156.95 157.75 157.00 Apr 45.72 lep 156.55 165.55 157.55 156.75 Jun 49.57 lov 156.00 157.25 0 0 Jul 50.05 len 155.75 158.25 0 0 Oct 45.46 len 155.75 156.25 0 0 Oct 45.46 len 156.75 len 156.25 len 1   |          |            |              |                |             |              |                |      |
| 157.50 156.95 157.75 157.00   Apr 45.72  |          |            |              |                |             | <u> </u>     |                |      |
| 196.55   196.55   196.75   196.75   196.75   196.95   196.95   197.55   0 0   197.55   196.95   196.95   0 0   197.55   196.95   0 0   196.95   196.95   0 0   196.95   196.95   0 0   196.95   196.95   196.95   197.40   1980.8   197.40  | uĽ       | 10,200     | ~~~          | 157.75         | 157.00      |              |                | 4    |
| en 155.75 156.25 0 0 Aug 49.20 (Aur 153.75 156.25 0 0 Oct 45.45 (Auy 155.75 156.25 0 0 Oct 45.45 (Auy 155.75 156.25 0 0 Oct 45.45  PORK BELLIES  REUTERS (Base: September 18 1931 = 100)  Dec 28 Dec 27 month ago yr ago  1974.0 - 1880.8 - Jul 46.67  OOW JONES (Best: Dec. 31 1974 = 100)  Aug 48.15   |          |            | 156.55       |                |             |              | 49.87          | į    |
| Agr   153.75   156.25   0   0   Oct   45.45  |          |            |              |                | ñ           |              | 50.05          | ì    |
| ### 155.75 158.25 0 0 Dec 46.58  ###################################   | /lar     | 155.75     | 156.25       | Ò              | 0           | Oct          |                | 4    |
| Close   Close   Close   Close   Close  | Azy      | 155.73     | 156.25       | 0              | 0           | Dec          | 46.55          | -    |
| Close   Close   Close   Close   Close  | -        |            |              | <del>-</del> _ | <del></del> | PORK         | SELLIES:       | 38,  |
| Dec 26 Dec 27 mnm ago yr ago May 43.52<br>1974.0 - 1880.8 - May 45.32<br>Jul 46.67<br>DOW 1078E8 (Bet4: Dec. 31 1874 = 100) Aug 48.15  |          |            | - Cartari    | n. 10 100      | i           |              |                | - F  |
| 1974.0 - 1880.8 - May 45.32<br>Jul 46.67<br>DOW JONES (Bess: Doc. 31 1874 - 100) Aug 48.15   | razul    |            |              |                |             |              |                | 4    |
| 00W JONES (Bess): Dec. 31 1974 - 100) Aug 46.15  |          |            |              |                | o yr ego    |              |                | 4    |
|  |          |            |              |                | <u></u>     | Jul          | 46.67          | 4    |
|  | 00M      | TONES (S   | date: Dec. 3 | 1 1974 -       | 100)        | Aug          | 46.15<br>50.45 | 4    |

Spot 142.69 142.98 136.23 Putures 145.35 145.67 139.03

CRUDE OIL (Ught) 42,000 US galls \$/barrel Chicago

| SOY         | ABEANS 5           | ,000 bu min;             | cents/60ib t           | oushel                 |
|-------------|--------------------|--------------------------|------------------------|------------------------|
|             | Closs              | Previous                 |                        |                        |
| Jan         | 788/6              | 789/4                    | 794/0                  | 787/4                  |
| Mar<br>May  | 814/4              | 805/2                    | 809/4                  | 802/4                  |
| jul         | \$20/6             | 817 <i>6</i> 0<br>823/4  | 821/4<br>827/0         | 814/0<br>820/4         |
| Aug         | 809/0              | 814/2                    | 816/0                  | 809/0                  |
| Sep         | 765/0<br>728/2     | 769/4<br>733/0           | 773/0<br>736/0         | 765/0                  |
| 784         | 737/4              | 740/0                    | 735/0<br>745/0         | 725/4<br>735/0         |
| SOY         |                    | . 60,000 lbs;            |                        |                        |
| .===        | Close              | Previous                 |                        | ,                      |
| Jan         | 22.84              | 23.19                    | 23.28                  | 22.60                  |
| Mar         | 23.12              | 23.63                    | 23.84                  | 23.06                  |
| May<br>Jul  | 23.89<br>24.13     | 24.20<br>24.69           | 24,30<br>24,78         | 23.62                  |
| Aug         | 24.20              | 24.76                    | 24,90                  | 24.00<br>24.20         |
| Sep.<br>Oct | 24.30<br>24.40     | 24,80<br>24,90           | 24.75                  | 24.30                  |
| Dec         | 24.35              | 24.85                    | 24,80<br>24,65         | 24.30<br>24.30         |
| SOY         | BEAN ME            | AL 100 tons              | , Siton                |                        |
|             | Close              | Previous                 |                        | <del></del>            |
| Jan         | 254.9              | 254.8                    | 256.3                  | 253,0                  |
| Mar<br>May  | 257.1<br>255.7     | 257.1<br>255.7           | 258,7                  | 255.5                  |
| Jul         | 263.5              | 253.5                    | 257.0<br>255.5         | 254.0<br>252.5         |
| Aug<br>Sep  | 249.0<br>239.0     | 248.0<br>238.5           | 250.0                  | 248.0                  |
| Oct         | 224.0              | 224.2                    | 239.5<br>227.0         | 236.5<br>222.0         |
| Dec         | 219.9              | 220.0                    | 221.0                  | 218.5                  |
| MAIZ        | T = 000 b          | <del></del>              |                        |                        |
|             | Close              | min; cents/:<br>Previous |                        |                        |
| Mar         | 282/4              | 284/0                    | High/Low               |                        |
| May         | 287/4              | 290/0                    | 285/0<br>290/8         | 281/4<br>287/0         |
| Jul<br>Sep  | 290/2<br>278/4     | 293/0                    | 293/6                  | 289/6                  |
| Dec         | 271/4              | 280/2<br>273/6           | 281/4<br>274/2         | <i>278/</i> 0<br>271/0 |
| Mar         | 278/4              | 280/6                    | 281/0                  | 278/4                  |
| May         | 282/0              | 284/0                    | 0                      | Ö.                     |
| WINE        |                    | min; cents               |                        |                        |
| Mar         | Close              | Previous                 | High/Law               |                        |
| Mey         | 436/6<br>424/2     | 435/6<br>425/4           | 438/4                  | 434/2                  |
| jui<br>-    | 393/0              | 392/6                    | 427 <i>14</i><br>393/4 | 423/4<br>390/0         |
| Sep<br>Dec  | 396/0<br>405/0     | 395/4<br>404/0           | 397/4                  | 394/4                  |
|             |                    | ,000 lbs; cer            | 405/0                  | 403/0                  |
|             | Close              | Previous                 |                        |                        |
| Feb         | 73.90              | 73.97                    | high/Low               |                        |
| Арг         | 75.50              | 73.97<br>75.52           | 74.15<br>75.70         | 73.70                  |
| Jun         | 74.02              | 74.00                    | 75.70<br>74.42         | 75.30<br>73.90         |
| Aug<br>Sep  | 71.72<br>71.37     | 71.67<br>71.37           | 72.17                  | 71.80                  |
| Oct         | 70.85              | 70.82                    | 0<br>71 10             | 0                      |
| Dec         | 71.80              | 71.85                    | 71.10<br>71.95         | 70.80<br>71.80         |
| LIVE        | 10 <b>0</b> 6 30,0 | 00 lb; canby             | lbs                    |                        |
|             | Close              | Previous                 | High/Low               |                        |
| Feb         | 46.82              | 47.12                    | 47.07                  | 40.00                  |
| Apr<br>Jun  | 45.72<br>49.87     | 45.87                    | 45.87                  | 48.80<br>45.55         |
| Jul         | 50.05              | 50.02<br>50.37           | 50.05                  | 49.65                  |
| Aug         | 49.20              | 49.50                    | 50.30<br>49.40         | 50.00                  |
| Oct<br>Dec  | 45.45<br>46.55     | 45.62                    | 45.55                  | 49.10<br>45.15         |
|             |                    | 46.55                    |                        | Q                      |
|             | Close              | 38,000 lbs; c            | ents/lb                |                        |
| Feb         | Close<br>43.12     | Previous                 | High/Low               |                        |
| Mar         | 43.52              | 43.10<br>43.62           | 43.40                  | 42,62                  |
| May         | 45.32              | 45.32                    | 43.87<br>45.65         | 43.20                  |
| Jul<br>Aug  | 46.67<br>46.15     | 46 60                    | 46.95                  | 44.97<br>46.35         |
| Feb         | 59.45              | 45.95<br>59 95           | 46.25                  | 45.77                  |
| Mar<br>May  | 80.22              | 60,22                    | 0                      | 59,45                  |
|             | 60.DO              | 60.00                    | š                      | 0                      |
| فاك         |                    |                          |                        | Ď.                     |
| 간다          | 60.00              | 60.00                    | Ö                      | 0                      |

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81.6 119.6

109.9

1430.1

# **LONDON STOCK EXCHANGE**

# Equity sector above FT-SE 1800

THE YEAR-END rally on the London stock market continued yesterday, taking the FT-SE Index above the 1800 mark last seen at the end of November. Gains in the blue chip exporters were encouraged by another firm performance by the US dollar and by an increasing shortage of shares in the market as fund managers and traders closed their books ahead of the final

trading session of 1988. The squeeze on share prices brought sharp rises among insurance issues and a broad range of overseas earning stocks. This week's improvement in these widely held blue chips is most acceptable to

| Accoun                     | st Decking      | Detes  |
|----------------------------|-----------------|--------|
| *First Dealings:<br>Dec 12 | Dec 28          | Jan 16 |
| Option Declarat<br>Dec 22  | lowe:<br>Jan 12 | 7to 52 |
| Last Declings:<br>Dec 23   | Jan 13          | Jan 27 |
| Account Days<br>Jim 9      | Jan 23          | Feb 8  |

managers of the big investment funds, whose 1988 performance is inevitably linked to tonight's closing prices. There were few sellers when prices began to move higher. Accentuating the squeeze

was a trading programme of around £85m and involving around 30 Alpha-rated and

largely by Smith New Court, one of the leading marketmakers in London. The programme brought raised eyebrows at some major trading firms which had not been invited to tender for it.

Traders commented that some of the programme deals were done at surprising premi-ums to the market, but a spokesman for Smith said the premiums were not unusual in terms of current screen trad-

At the close, the FT-SE Index was 15.7 higher at 1803.4, encouraged finally by firmness on Wall Street. It last stood above 1800 on November 24

Nov

turnover as dealers tried to cover their positions. BOC was

one of the stocks to benefit.

rising 9 to 430p with dealers commenting that stock was increasingly hard to find.

to 514p as the market took aboard the increase in mort-gage rate which the bank had

already signalled for the New Year. The announcement brought a flurry of trading which took the shares as high

as 515p at best on turnover of 1.4m shares.

in the dollar was good news for

insurance shares, where US earnings are of major import.

Shortage of stock helped push

prices ahead as some fund

managers shuffled portfolio

The post-Christmas firmness

NatWest shares edged higher

when it reached 1833, only to tumble the next day on the disclosure of a surge in Britain's trade deficit in October. The past forinight has seen a cau-tious recovery as the latest data on the UK economy has suggested a slowdown in consumer spending. Seaq volume jumped sharply

yesterday to 377.8m shares from the 172.7m of the previous session. However, market analysts took a cautious view of this week's bounce in equities, which are still thought to be in a trading range with a top end of around FT-SE 1810.

Some traders commented that the equity market may now be looking overextended.

Yesterday's gain in market indices reflected sharp rises in such favoured international performers as Glaxo, Beecham. Jaguar and BAT Industries, where shortage of stock has become a clearly significant factor. Equities paused briefly at

mid-morning when National Westminster Bank announced a one point increase in its mortgage rate to 13.75 per cent. An increase had been signalled, and was indeed inevitahle, in November when bank base rates moved up to 13 per cent. The move did nothing to lift the market's uncertainty over the general outlook for domestic interest rates.

Ratners benefited with a rise of 7 to 177p, while Woolworth also rose 9 to 239p. Body Shop met strong demand ahead of results scheduled for January 11 which are expected to be very good. The shares rose 13

to 516p, after 519p.

After a slow start, the star performer in the sector was electrical retailer Dixons, which mystified dealers with its surge of 7 to 134p in much improved turnover of 7.1m shares. Volume included one be a Bed & Breakfast deal, although there was speculation that it might have been part of

strong market again. The

Food stocks were mixed. Dealers found it hard to keep their book positions as flat as they wanted - strong demand emerged for Unigate, which rose another 10 to 349p after Wednesday's confirmation that the Irish entrepreneur Mr Larry Goodman had raised his

Turnover was a respectable 4.6m shares, with dealers spe-culating that brokers acting for Mr Goodman might have been bidding for more stock yester-day. Analysts Carl Short and John Marshall at Kitcat & Aitken were among the first to record a post-Christmas com-

Since Compilation High 28 23 22 21 Ago 29 High 127.4 (9/1/35) 105.4 50.53 (28/11/47) (3/1/75) 95.70 95.75 96.10 1447.1 1436.2 1432.4 1435.0 1406.0 1514.7 1349.0 (8/2) 1928.2 (18/7/87) (26/6/40) 162.6 734.7 43.5 (28/12) (15/2/83) (28/10/71) . S.E. ACTIVITY

TRADING VOLUME IN MAJOR STOCKS

FINANCIAL TIMES STOCK INDICES

Ord. Di. Yield
Earning Yid %(fuit)
P/E Ratio(Net)(±)
SEAQ Bargains(5pm)
Equity Turnover(Em)†
Equity Bargains†
Shares Traded (mt)† 5.10 5.12 12.89 12.94 9.36 9.32 10.257 18.577 78.67 13.419 20.644 280.5 405.8 11.09 16,548 774.07 18,582 917.78 ●Opening ●10 am. ●11 am. ●12 pm. ●1 pm. ●2 pm. ●3 pm. ●4 pm. 14528 14537 14598 14649 14629 14630 14642 14642

Equity Bargains Equity Value DAY'S HIGH 1465.1 DAY'S LOW 1452.8 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1828, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, while 9.49 †Excluding int

### Indices Dec 28 Dec 25 Equity Bargains Equity Value 73.1 5-Day average Gilt Edged Bargain

# **Mystery Collins** bidder

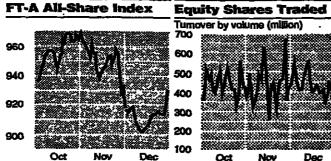
William Collins, the publishing house currently under the threat of a bid from Mr Rupert Murdoch's News International, followed up its recent announcement about talks with a possible white knight. News that an unnamed party intends to make an offer for Collins sent both classes of share skidding higher. The Ordinary shares improved 6 to 851p, while the A shares jumped 41 to 705p, after 715p, in turnover of 175,000.

The rises reflected the cash

offer terms of 880p for each ordinary share and 735p for each A share. There was plenty of speculation as to the iden-tity of the new bidder. Last week's favourite Reed International was mentioned again, but the balance seemed to favour a mystery US party. The offer remains conditional upon acceptance from a significant number of ordinary Collins shareholders.

#### Plessey active

The market began to scent yesterday that the GEC/Siemens' terms currently on the table for Plessey were unlikely to besuccessful. Activity expanded noticeably - turn-over eventually amounted to 4.5m shares – as Plessey shares pressed nearer the bid price (125p) to close 6 up at 121p. Next week the group will unveil its defence document, FT-A Ali-Share Index



which must be produced by January 6. GEC shares added 2 at 189p. A leading researcher com-

mented: Events are likely to unfold in the next two weeks or so with the European Commission decision expected by January 13. This coincides with the first closing date of the Anglo/German offer". He continued, "the view among analysts is strengthening that better terms are needed to win

International stocks were again squeezed, with Glaxo up 10 to 1083p and ICI rising 7 to 1023p in thin turnover. The only redeeming factor was the mixed programme trade which involved around 30 of the leading issues and helped boost

#### **NEW HIGHS AND LOWS FOR 1988**

NEW NEGHS (67).
CANADIANS (2). BANKS (2) ANZ, C'hgn.
Hak., CLF 54 pc. BUIL DRIGS (1) RMC.
CHENICALS (1) Remoted, 570 RES (1) Limbed
Inc., ELECTRICALS (1) Racomes Skms, Renold,
SKF, FOODS (4) BSN, Kwik Seve, Low (Wm.),
Unigate, NAOLSTRIALS (6) Alle-Lavel, BCC,
Docks, Eurolumed Units, Do. Wris., Stanks
6 McEwsn, BISURANCE (2) Allerz, Ares.
in'l, Gp., LESURE (3) Capital Radio,
Harkney, Toltenham Hotspur, NGTORS
(1) Planton, NEWSPAPERS (1) Collins (Wm.)
'A. PROPERTY (1) London Shop Spc Cv.
34-98, SHPPRIG (2) Rergesen d-y AS 'A',

Lon. O'seas. Fris. 'B' Pid., See Containen TRUSTS (11), NINGS (2), THIRD MARKET

(1). HERD HAVELEY (2). FREED HAVELEY (1). NEW LOWS (27). CANADIANS (1), BUILDINGS (1) Arther Shat STORES (2) Lownies O'way, Vival Hidgs., ELECTRICALS (1) WAY. Select. ENGMEERING (1) Date Grp., FOODS (2) Everast Foods, Park Food, RUDUSTRALS (2) Bluebird Toys, Kity Liste, NEWSPAPENI (1) Johnston Press, PAPENS (2) Hunterprist, Poeters (4), PROPERTY (2) Moleculary, Merchant, Mrt. Esta., SHIPPING (1) P. & O. 6½ pc Rd. Non-Curp. Pt., TRUSTS (4), MINES (7).

positions ahead of the yearend. Among the best spots were General Accident and Sun Alliance.

Currency factors also helped selected insurance brokers. dgwick, with substantial US interests, gained 5 to 231p. A large buyer was noted again for Bradstock Group. Prudential edged higher at 154p after paying £46.7m for the Australian and New Zea-

land interests of Aetna, the major US life and casualty

The squeeze on Racal Tele-com (RTG) shares instensified as US-based investment houses went on the bid for stock ye terday. Continuation of the flow of stock from the UK now means that more than half of the issue is held in US hands, with British investors becoming a protected species. High volume of 5.2m was recorded as RTG gained 4 more to 183p. Racal Klectronics moved up 3

Thorn EMI maintained a strong profile, rising 6 to 629p, amid reports that it hopes to conclude negotiations with French group SGS Thompson over the sale of Inmos by mid-

Amstrad shares extended their recovery with buyers looking optimistically towards satellite television expansion, and the close was 5 higher at 1780. Among builders, Steetley

rose 15 to 335p, approaching its year-high amid large buying interest. Redland was well bid

and rose 16 to 426p.

The Stores sector continued to improve against a background of good reports from the pre-Christmas trading period and the New Year Sales.

the programme trade.
Lloyds Chemists was a

shares put on 9 to 151p amid a slight shortage of stock, with dealers citing an investment newsletter tip as the cause of

Lucas industries (522p) continued to respond to whispers of stakebuilding, while British Steel (61½p) extended the pre-mium on the offer price as arbitrage buyers from the US appeared in London.

stake to 7.89 per cent.

ment, advising investors to "await further developments", particularly with regard to unsubstantiated talk of a European consortium bid for Uni-

Unilever gained 11 to 466p in what dealers described as a classic squeeze, while the inter-est in Unigate inspired the old bid favourite United Biscutts to move ahead 5 to 289p in turnover of 1.7m. New Year recommendations.

both actual and rumoured, incited buying interest for several miscellaneous industrial groups. Siebe rose 12 to 396p following a newsletter tip and Smiths Industries advanced 8 to 268p amid speculation that it would be included in at least one list. Transport Develop-Granada 9 to 324n.

Eurotunnel led the rest of the field, responding to avid Continental support which forced the shares to within a whisker of the year's high point before a close of 14 up on balance at 485p. Rank Organisation, annual results due next month, added 12 more at 738p and Tomkins, scheduled to report interim figures on Janushares.

1.200 4.000 1.500

SHOUSE CHARLES OF THE STATE OF THE SEC

ary 9, improved 7 to 207p.
Capital Radio shares rose
again, adding 10 to 505p as demand driven by good trading prospects exposed an ever thin-ner market. Shares in Tottenham Hetspur surged 23 to 133p on late news that Mr Tony Berry has taken a near 4 per cent stake.

In a busy papers sector, United Newspapers staged a strong recovery, adding 11 to

yesterday's programme trade. There was also talk that favourable press comment is imminent. Among agencies, VPI rose 9 to 156p as two dealers aggressively bid for stock. NatWest's move to higher mortage rates dampened enthusiasm for Property

Dealings in traded options recovered to a level of 27,525 contracts with today's exptry in the FT-SE 100 index contract a factor. Overall dealings lay in 19,297 calls and 8,228 puts, and were again dominated by turn-over in the index, which came to 7,769 contracts, lying in 4,963 calls and 2,806 puts.

Other market statistics. including FT-Actuaries Share Index and London Traded Options, Page 16

### APPOINTMENTS

# at British Aerospace

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BRITISH AEROSPACE has made the following board appointments. At British Aerospace (Commercial Aircraft): Mr S. Gillibrand, chairman; Dr M.C.S. Dixson, managing director; Mr D.G. Eustace, non-executive director, Mr J.J. Hughes, Mr C.B.G. Masefield, Mr R.M. McKinlay, and Mr P.J. Rowley, secretary. At British Aerospace (Dynamics): Mr R.H. Evans, chairman; Mr N.V. Barber, managing director; Mr S. Blomiley, Sir David Evans, non-executive director; Mr M.D. Parry, Mr M.J. Turner, and Mr A.M. Goodall, secretary. At British Aerospace (Military Aircraft): Mr R.H. Evans, chairman; Dr I.A.M. Hall, managing director; Mr A.H. Baxter, Sir David Evans, non-executive director, Mr W.F. McNaughton, Mr R.D. Smith Wright, Mr M.J. Turner, Mr J.P. Weston, Mr B. Young, and Mr T.A. Fletcher, secretary, At British Aerospace (Space Systems): Sir Raymond Lygo, chairman; Mr J.A. Holt, managing director, Mr P.J. Conchie, Mr R.G. Dancey, Mr N.A.C. Nendick, Mr E.S. Rothery, Mr LR. Yates and Mr P.R. Green, secretary.

■ Mrs Flona Goulbourn has been appointed managing director of MAA PENSIONS, pensions marketing arm of the Motor Agents' Association. She also becomes managing director of General Pensions Administrators, a subsidiary. She was an executive director of Hadrian Trustees.

■ N.M. ROTHSCHILD & SONS has appointed Mr Peter Davies, a senior partner in Peat Marwick McLintock, Cardiff, as director of corporate finance in Wales. He joins on April 1, and will be based in Cardiff.

■ Mr Peter Savage joins STACK GmbH, Milton Keynes, in January as managing director, taking over from Mr Bernard Hadley when he retires in April. Mr Savage was founder and managing director of Semstat.

Mr Stefan Kay, previously a general manager of one of G-P INVERESK's four mills, has been appointed managing director of the group in succession to Mr Adrian Missenden who leaves in mid-February to become Associated Paper Industries.

Restructure # Mr Fergus Dymock has been appointed an executive appointed an executive director of HAMBROS BANK with responsibility for medium term finance and the shipping

division from January 1.
Mr Charles Perrin will cease acting as senior executive director of the division on that date to allow more time for his general responsibilities as deputy chairman. He will continue as executive director of the Scandinavian division.

The TT GROUP has appointed Mr Andrew P. Bale asits chief accountant and

■ Mr Frank B. McGarry has been appointed managing director of RAINHAM TIMBER ENGINEERING, a subsidiary of The Phoenix Timber Group.

**■ GT MANAGEMENT (UK),** a subsidiary of GT Management, has appointed



Mr Michael Stevenson, (above), founder director, has be chairman of KESTREL SER-VICES. Mr Robert Wallace, finance director, becomes managing director of all four operating divisions. Mr Philip Crocker has been appointed director of systems.

to the board: Mr Peter Anwyl-Harris; Ms Lynne Chilvers; Mr Peter Dugdale; Mr Paul Freeman; Mr John Legat; and Mr Terry Lynch.

■ UBS PHILLIPS & DREW has appointed Mr Peter Tausig as director responsible for international equity syndication. He joins from S.G. Warburg where he was a director and head of the syndication and marketing

■ Mr Stephen Raven has been appointed managing director of the securities division of INTERNATIONAL CITY HOLDINGS. He will be responsible for the global securities broking business



Mr Raymond Fudge (above) has been appointed managing director of HERBERT BAG-GALEY CONSTRUCTION. Mr Howard Baggaley has relinquished this role to concentrate as chairman on the development of the Baggaley

of the group, which primarily comprises MKI Securities in the US and in London, and Charles Fulton IDB, and Charles Fulton Equity IDB.
Mr Raven, who joined the
group last July, was with
Warburg Securities, and
County NatWest Securities.

Mr John Fraser has been appointed director, group compliance, of NATIONAL WESTMINSTER BANK, succeeding Mr John Bellamy, who retires on December 31. Mr Fraser was an assistant general manager of NatWest's domestic banking division.

Mr Walter Stewart has been appointed assistant general manager, Europe, from January 1, at THE ROYAL BANK OF SCOTLAND. Mr Stewart will manage all



On January 1 Mr Lawrence Nuttall (above) joins BLACK-POOL PLEASURE BEACH as a non-executive director. He is chief executive of Nuttalla, company merger specialist.

operational aspects of the bank's alliance with Banco Germany, Belgium, and Gibraltar. He will also be responsible for the bank's preparation for a single European Market in 1992 and for helping customers prepare for this event. He will be based in London at the bank's international division headquarters.

Mir Colin Goodall has been appointed deputy managing director, and Mr Simon Embleton, Mr Gavin Lach, and Mr Des Ruddy have been appointed associate directors in the foreign exchange division of BUTLER HARLOW

■ Mr Michael John Murden becomes managing director of NORTHUMBRIAN WATER on January 3. He is managing director of Cammell Laird Shipbuilders. Mr Murden succeeds Mr Frank Ridley, who retires as chief executive. but will continue as deputy chairman.

■ Mr Glyn Samuel, the immediate past chairman of the Road Haulage Association, has been appointed deputy chairman of NORSEMAN FREIGHT, a member of the Robert Smith Group.



Mr Emyr Daniel, controller, factual programmes, for HTV CYMRU/WALES, is to be the company's director of pro-grammes from January 1. He succeeds Mr Huw Davies who has already taken up his new post as managing director of the company. Mr Davies has also been appointed deputy chief executive of RTV Group.

Mr Daniel will be responsible for all HTV Cymru/Wales programme output - English language programmes for the company's own service, for the TTV network, and for Channel Four UK and Welsh language programmes for S4C.

### NOTICE OF PARTIAL REDEMPTION Blair Athol Finance Limited

(Incorporated under the Laws of The State of Victoria)

US \$141,000,000 Guaranteed Floating Rate Notes due 1994 of which US \$110,000,000 has been issued as an Initial Tranche

NOTICE IS HEREBY GIVEN that in accordance with the Terms and Conditions of the Notes US \$11,000,000 principal amount has been drawn for redemption at their principal amount on the next interest payment date being 6th February, 1969 when interest on the drawn Notes will cease to

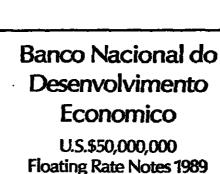
randing after such redemption will be US \$77,000,000. The serial numbers of the Notes drawn for redemption are as follows:

|     |     |                 |                 |             |      | -    |      |      |        |   |
|-----|-----|-----------------|-----------------|-------------|------|------|------|------|--------|---|
| 2   | 188 | <del>39</del> 1 | <del>5</del> 81 | 742         | 987  | 1234 | 1505 | 1798 | 2003   |   |
| 10  | 214 | 399             | 592             | 744         | 988  | 1242 | 1509 | 1805 | 2005   |   |
| 15  | 229 | 405             | 593             | 745         | 1006 | 1270 | 1515 | 1807 | 2008   |   |
| 16  | 233 | 406             | 598             | 756         | 1010 | 1273 | 1565 | 1839 | 2010   |   |
| 21  | 240 | 411             | 601             | 777         | 1013 | 1283 | 1568 | 1845 | 2032   |   |
| 25  | 252 | 413             | 603             | 802         | 1037 | 1285 | 1569 | 1854 | 2035   |   |
| 31  | 253 | 414             | 609             | 804         | 1043 | 1291 | 1582 | 1874 | 2039   |   |
| 34  | 255 | 419             | 615             | 823         | 1054 | 1319 | 1632 | 1875 | 2049   |   |
| 56  | 256 | 421             | 620             | 828         | 1112 | 1342 | 1646 | 1876 | 2064   |   |
| 74  | 262 | 453             | 622             | 861         | 1117 | 1361 | 1687 | 1904 | 2071   |   |
| 84  | 267 | 463             | 623             | <b>88</b> 1 | 1132 | 1371 | 1716 | 1929 | 2096   |   |
| 86  | 273 | 466             | 632             | 888         | 1140 | 1401 | 1720 | 1938 | 2097   |   |
| 122 | 275 | 483             | 650             | 896         | 1143 | 1414 | 1737 | 1951 | 2108   |   |
| 129 | 282 | 490             | 651             | 898         | 1163 | 1416 | 1743 | 1954 | 2111   |   |
| 133 | 285 | 496             | 663             | 908         | 1164 | 1417 | 1746 | 1958 | 2114   |   |
| 138 | 291 | 497             | 665             | 913         | 1182 | 142Ò | 1751 | 1961 | 2117   |   |
| 153 | 299 | 498             | 669             | 920         | 1184 | 1424 | 1752 | 1971 | 2139   |   |
| 157 | 316 | 504             | 675             | 926         | 1190 | 1426 | 1759 | 1972 | 2141 ' | 1 |
| 165 | 318 | 518             | 691             | 927         | 1193 | 1430 | 1761 | 1980 | 2146   |   |
| 184 | 327 | 545             | 693             | 945         | 1195 | 1442 | 1779 | 1992 | 2147   |   |
| 185 | 356 | 547             | 699             | 948         | 123T | 1444 | 1783 | 1995 | 2154   |   |
| 196 | 162 | 552             | 737             | 975         | 1743 | 1440 | 1705 | 2000 | 2168   |   |

Repayment of the principal will be made upon presentation of the Notes with all ununstated coupons attached, at the offices of any one of the Paying Agents measioned thereon.

Accroed inserest due on 6th February, 1989 will be paid against presentation of Coupon no. 3 on or after 6th February, 1989. All drawn Notes for the August, 1988 partial redemption have been presented for payment. Bank of Montreal London PRINCIPAL PAYING AGENT

30th December, 1988



Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the three months from 30th December 1988 to 31st March 1989 the Notes will carry an interest rate of 911/2% per annum. On 31st March 1989 interest of U.S.\$24.49 will be due per U.S.\$1,000 Note and U.S.\$244.88 due

per U.S.\$10,000 Note for Coupon No. 39. **EBC Amro Bank Limited** 

(Agent Bank)

30th December 1988.

# 876p on activity connected to

The Plannaid Thous proposes to publish this survey on let February 1989 For a full efficient symposis and advertisemen

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FINANCIAL TIMES

# The Prudential **Insurance Company of America** U.S. \$500,000,000

Collateralized Mortgage Obligations Series 1986-1

For the period 28th December, 1988 to 25th January, 1989 the Bonds will carry an interest rate of 10.0125% per annum with an Interest amount of U.S. \$210.38 per U.S. \$50,000 (the original Principal Amount) Bond, payable on 25th January, 1989. The Principal Amount of the Bonds outstanding is expected to be 54.029210% the original Principal Amount of the Bonds, or U.S. \$27,014.60 per Bond until the Twenty Fifth Payment Date.

Bankers Trust Company, London

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Fax (01)248 4801

REPUBLIC OF ITALY Ecu 300,000,000 Floating Rate Notes due 1932 In accordance with the terms and con-ditions of the Motes, notice is hereby given that for the 3 mostles period from 3th December, 1986 to 3th March, 1989 the Notes will carry an Internet of 84, % per annum (margin included).

The relevant interess payment date will be March 30, 1989 and the coupling amount par Ecu 10,000 nominal will be Ecu 205,25 and per Ecu 100,000 nominal will be Ecu 2002,50. BANQUE GENERALE DU LUXEMBOURG S.A. Agest Bank

### U.S. \$500,000,000 CITICORPO

Subordinated Floating Rate Notes Due January 30, 1998 Notice is hereby given that the Rate of Interest has been fixed at 9.7% and that the interest payable on the relevant Interest Payment Date January 31, 1989 against Coupon No. 36 in respect of US\$10,000 nominal of the Notes will be US\$86.22. December 30, 1988, London

By: Citibank, N.A. (CSSI Dept.), Agent Bank

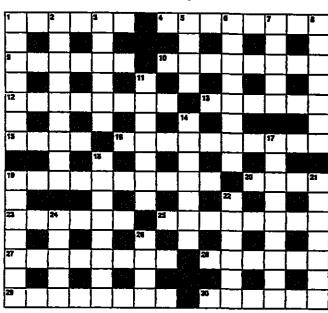
CITIBANCO

### FT UNIT TRUST INFORMATION SERVICE

# **AUTHORISED**

### CROSSWORD

No.6,822 Set by VIXEN



ACROSS

1 Arranges about parking for games (6)

4 Name characters qualified and prepared to make concessions (8)

9 Popular model school (6)

10 Irishman accepting a pound
— one pound out of a grand

(8)
12 Asks little people about the teaching (8)
13 Like general quiet when

13 Like general quiet when taking a nap (6)
15 Smirk if spirit is shown about the Right (4)
16 A tent damaged by a ball needed service (10)
19 The guy having dieted successfully, he's working on a boat (10)
20 Time to accommodate super-

20 Time to accommodate supe-

rine to accommodate superior, though it gives one the shivers (4)

23 "Look", a new paper (6)

25 Advanced into the tall grass and gave way (8)

27 Youth-leader after a drink, having the wind up (8)

28 A steep requirement for converting foreign currency (6)

verting foreign currency (6) 29 Account for connection (8) 30 Insecticide used within rea-son under risky conditions (6)

DOWN 1 Carol holds back gratuity, which is annoying (7)

The children will get away early in the year (9)

Big fish taking no part (6)

(4)
6 Left as a result of ungenerous arrogance (44)
7 Coloured bottle-opener for example that is to be sent back (5)
9 Possibly see about strike. 8 Possibly see about strike,

being dim (7) 11 Refund about a quarter rent (7) 14 Foul act involving univer-

sity men (7) 17 Anger with manufacturers of certain clothing (9)
18 Frankly square (8)
19 Hero's love of heel backing

Communist (7) 21 Design housing for sound equipment and wins (7)
22 Hard as ever in the Kent

area (6) 24 Fruit left – it's very decora-

tive (5) 26 Some got too deeply into debt to suit this man (4) Solution to Puzzle No.6,821

PATTER PROPERLY
E R Y S E R O II
REATIST PRESUME
G N N E O F S L
HOST REARRESTED
A P R L T R S
NOOSES LEMMING
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FMS Investment Magant Ltd (0905)F

Solid Management Ltd (1600)F 

Access tested 3 274 6 221 7 30.2 (15.00) 27 (16.00) 27

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Midland Unit Trusts Ltd (1200)F

N & G Securities (v) (0915N)

Thre Copy, Tower Hill, ECOR 680.

Celt Services (164 4589 Unit Destina (245 26426

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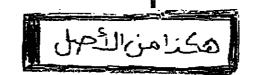
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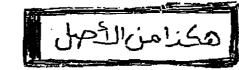
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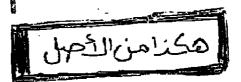
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| AMERICANS—Contd    1985  | Lew Stack Price - Ret Curign's PE   Might Leve   Sheek Price - Ret Curign's PE   340/AB Electronic   | INDUSTRIALS (Miscel.) — Contd INDUSTRIALS (Miscel.) — Contd.  1988   Stack   Price   P |
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| 309n   138n  A&BM Gold Corp     148n - 6   -   110   95  M.o. & Chydeside     188n   189   187,   147,   11.4   1.10   1.               | 734749 249   | 270 210000 W0037 240 1 120 2 20 2 1 1 2 2 2 2 2 2 2 2 2 2 2  |
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| 7100 Scholy Trans Can Pipe   | 25/Ferrothers int. 10s. 9 358 41 (6.0 4.1 22 13.3 5.2 4.6 650 inysen Drall 0. 1318 0.08 4 1.2 2.7 32.4 111 FN Balcock 10s. 4 124 41 -2.35 5.0 2.5 8.6 20s 1.48 it riplex Light. 6 14 10 12 13 13 13 14 13 13 14 13 14 14 12 13 13 13 14 13 14 13 14 14 14 15 15 17 3.3 11.4 13 14 13 14 13 14 13 14 13 14 13 14 13 14 13 14 14 15 15 15 15 15 15 15 15 15 15 15 15 15  | 242 132[Chloroll 10p. 6 139 2 76.6 2.5 6.3 8.0 217 157 [Stoorty Archive 20, v] 157 m 14.0 2.7 3.4 16.3 111 738 Co. of Designer Sp. v 73 41.3 0.2 8 5.5 8.7 407 205 Scorely Service. v) 368 12.27 4.2 0.6 3.8 1.2 125 174 (Chaputer Pople 5 v v) 192 13.6 3.7 2.2 13.7 22.7 1188 (See Apolements 5. v) 1.76 4.4 12.5 3.9 1.9 19.0 11.6 8 (Chaputer Pople 5 v v) 258 87.0 3.1 3.5 11.9 259 1235 (Chaputer Pople 5 v v) 259 4.6 18.0 3.8 13.9 13.5 11.9 12.9 12.9 12.5 12.5 12.5 12.5 12.5 12.5 12.5 12.5   |
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|   | LONDON SHARE SERVICE Share Gode Booklet ring the F1 Cityline help dean difference  |
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| 36 19 Almanders 10p.   36 +1   0.73   1.8   2.7   2.9   2.9   2.9   3.0   5.0   1.5   5.0 | 36-  Fig.   36-    |
| NEWSPAPERS  | Figure   F   |
| PAPER, PRINTING, ADVERTISING  79  | 227 Do. Prof   |
| 194   195   196   | 186   149   169    |
| 177   | 6.6 Aspectation for Re. W. 1994 277 170 (1995) and 1995 a |

# Trade moribund at year-end

THE DOLLAR lacked direction yesterday, closing in Europe little changed on the day. Trad-

ing was very thin.

Tokyo tried to get the market off to a lively start, pushing the dollar higher up and then taking profits, but Europe was not in the mood to keep the pot boiling and New York

took a similar view. Underlying sentiment suggested a short term rise by the dollar, but in such a thin market the West German Bundesbank was able to show its displeasure at any further advance, by selling \$13.1m in Frankfurt when the dollar was fixed at DM1.7855, compared with DM1.7893 on Wednesday.

The dollar touched a peak of DM1.7940, but the Bundesbank's intervention was enough to prevent any chance of an attack on the DM1.80

It fell back to close at DM1.7880, compared with DM1.7895 on Wednesday. The dollar also declined to FFr6.1000 from FFr6.1075, but rose to Y125.80 from Y125.40 and to SFr1.5140 from SFr1.5120.

According to the Bank of England the dollar's exchange rate index fell to 94.7 from 95.0. Sterling was also very quiet. The pound rose 10 points to \$1.7900. It also improved to

| <i>66</i> 0.60 | HOM 1                        | .00 and 1                    |
|----------------|------------------------------|------------------------------|
| 2 1            | N NEW Y                      | ORK                          |
| Dec.29         | Latest.                      | Previous<br>Close            |
| pot            | 1,7910-1.7920<br>0.51-0.50om | 1.7890-1.7900<br>0.49-0.46ee |

| 1 moeth   |                                      |                                      |  |  |  |  |  |  |
|---|--------------------------------------|--------------------------------------|--|--|--|--|--|--|
| Forward premiums and discounts apply to the US dollar |                                      |                                      |  |  |  |  |  |  |
| STERLING INDEX  |                                      |                                      |  |  |  |  |  |  |
|   | Dec.29                               | Previous                             |  |  |  |  |  |  |
| 9.00 am<br>10.00 am<br>11.00 am                       | 77.3<br>77.4<br>77.3<br>77.3<br>77.3 | 77.A<br>77.3<br>77.A<br>77.A<br>77.A |  |  |  |  |  |  |

| 2.00 pm<br>3.00 pm<br>4.00 pm                                   | .1-1                              | 77.4<br>77.3<br>77.4  | 773  |
|---|-----------------------------------|---|--|
| CUR   | REN                               | CY RA   | TES  |
| Dec.29  | Bank<br>rate<br>%                 | Special*<br>Orawing<br>Rights   | European<br>Currency<br>Unit.  |
| Danish Krone<br>Destsche Mark :<br>Reth.Guilder<br>Erroch Franc | 50<br>8.75<br>7.75<br>4.55<br>125 | 0.748547<br>1.33900<br>1.59984<br>16.8634<br>50.2828<br>9.27258<br>2.39587<br>2.70813<br>8.19066<br>1767.75 | 0.649450<br>1.16349<br>1.38793<br>14.6192<br>43.5872<br>8.02962<br>2.0781,1<br>2.34606<br>7.09438<br>1528.53 |

| Switss France 3.5 | 2.02551 | 1.75745  |
|-------------------|---------|----------|
| Greek Drack 2012  | 199.457 | 172.941  |
| Irish Paet        | N/A     | 0.777266 |
| Norway Krone 8    | 8.84410 | 7.66681  |
| Spanish Peseta 8  | 153.723 | 133.161  |
| Swedish Kroga 845 | 8.24824 | 7.16070  |

| CURRENCY MOVEMENTS  |   |  |  |  |  |
|---|---|--|--|--|--|
| Dec.29  | Bank of<br>England<br>Index   | Morgani <sup>es</sup><br>Guaranty<br>Changes %   |  |  |  |
| Sterling U.S. Dollar U.S. Dollar Carsafian Dollar Asstrian Schilling Belgian Franc Danish Krone Deutsche Mark Swiss Franc Gullder French Franc Lira Yeo | 77.4<br>94.7<br>85.0<br>134.8<br>98.3<br>88.8<br>144.9<br>166.0<br>133.1<br>48.8<br>45.7<br>249.1 | -14.9<br>-12.8<br>-1.6<br>-1.9<br>-5.9<br>-0.5<br>-21.1<br>+19.3<br>+13.5<br>-15.5<br>-30.1<br>+85.2 |  |  |  |

| <b>8</b>  | 247.1                                       | +60,2                  |
|---|---|------------------------|
| Morgan Guarant<br>1982-100. Bank of<br>1975-1001 Rates an | changes: a<br>England Index<br>for Dec.28 . | rerage 19<br>(Base Ave |

| 1982-100. Bank of England Index (Blase Average<br>1975-1009**Rates are for Des.28.  OTHER CURRENCIES   |   |  |  |  |  |  |  |  |
|--|---|--|--|--|--|--|--|--|
| Dec.29   | Ē   | 5  |  |  |  |  |  |  |
| Argent (na Australia Stratii S | 29.0100 - 29.1700<br>2.0020 - 2.0980<br>1347 50 - 1355 00<br>1347 50 - 1355 00<br>1347 50 - 1355 00<br>1348 50 - 248 35<br>1348 50 - 128 25<br>05578 - 0.5040<br>67 18 - 67 20<br>05578 - 0.5040<br>67 18 - 67 20<br>4 2672 - 4.8610<br>4 2672 - 4.8610<br>6 2842 - 4.8610<br>6 2842 - 67 165<br>5 2842 - 67 55<br>5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 | 16.2100 - 16.2900<br>1.1640 - 1.1710<br>752.80 - 756.55<br>4.1790 - 4.1800<br>4.1790 - 4.1801<br>17.60 - 7.8080<br>882.10 - 687.70<br>0.2636 - 0.26270<br>37.45 - 37.55<br>2.7110 - 2.27100<br>2.284 00 - 2.270 00<br>1.5673 - 1.5725<br>3.7500 - 3.7510<br>1.5440 - 1.4460<br>2.1740 - 2.3835<br>28.15 - 28.25<br>28.15 - 28.25<br>28.25 - 28.25<br>2 |  |  |  |  |  |  |

**MONEY MARKETS** 

INTEREST RATES remained very firm in New York yester-

day. The Federal Reserve added temporary reserves to the banking system, via five-

day system repurchase agreements, when Federal funds

were trading at 9% p.c. This followed forecasts in

the market that there was a very large credit shortage of around \$5bn to \$7bn, and that tight credit conditions will con-

tinue over the year-end. US Trust Co of New York

announced a rise in its broker

UK clearing bask base lending rata 13 per cent from November 25

loan rate to 10% p.c. from 10%

p.c. yesterday.
A slight firming of interest

rates on the London money market was regarded as techni-

cal, reflecting end of year book

squaring. Three-month inter-bank rose to 13th 13p.c. from

tially forecast a money market credit shortage of £600m, but

revised this to £750m at noon, and to £650m in the afternoon.

Total assistance of £529m was

band 4 at 12% p.c. Another

£30m bills were purchased, for resale to the market on Janu-

Before lunch the authorities bought £196m bills, including £166m bank bills outright, in

tighten today however, as a result of recent action by the Bundesbank on the foreign

exchanges, taking D-Marks

into its own account and seil-

provided.

The Bank of England ini-

**US** rates firm

# SFr2.7100 from SFr2.7075, but eased to DM3.2000 from DM3.2050 and to FFr10.9200 from FFr10.9350.

Sterling's exchange rate index rose 0.1 to 77.4. As from today, calculations by the Bank of England on sterling's index will include revised currency weightings, and a change in the base date to 1985 from 1975.

The most significant change will be a fall in the dollar's weighting to about 20.4 p.c. from 24.6 p.c., and a rise in the currencies of the European Community to 55.6 p.c. from 47.5 p.c. This will include a weighting to 20 p.c. for the D-Mark, compared with 14.1

p.c. previously.
The Malaysian ringgit was under pressure, and received from the central bank in Kuala

Lumpur.
The US dollar was quoted at around MR2.7115 following central bank sales of around \$20m, after it rose to a record higher

subject of further rumours yesterday, following a 5 p.c. deval-uation on Tuesday. The Bank of Israel denied it

is about to temporarily return the shekel to its former value of \$1.60 to avoid increasing companies liabilities on end of year balance sheets.

The central bank has threat ened to devalue the shekel again, if the public continues to buy dollars on a large scale On Wednesday public pur chases of dollars were esti-mated to be around \$80m, despite the devaluation. In an attempt to stop speculation against the shekel the Bank of Israel raised short

term interest rates to 48 p.c. yesterday, at its weekly money tender to commercial banks. Before Tuesday's devalua-tion - which was forced on the authorities by speculative pres-sure - it had been suggested the shekel would be devalued by about 15 p.c. in early Janu-

|   | reuncomy   | D 02000-   |   |  |   |  |
|---|--|--|---|--|---|--|
| EMS I   | ZUROPE.  | an Cur   | RENCY   | UNIT RA  | TE\$  |  |
| į   | Ecs<br>central<br>rates  | Carrency<br>acnounts<br>against Ecu<br>Dec.29                              | % change<br>from<br>central<br>rate                         | % change<br>adjusted for<br>divergence             | Divergesce<br>ilmit %   |  |
| Belgian Frant Danish Kroee German D-Mark Frant Frant Dutch Guilder High Plant tallan Lina   | 42,4582<br>7,85212<br>2,05853<br>6,90403<br>2,31943<br>0,768411<br>1483,58 | 43.5872<br>8.02982<br>2.07811<br>7.09438<br>2.34606<br>0.777266<br>1528.53 | +2.66<br>+0.26<br>+0.95<br>+0.76<br>+1.15<br>+1.15<br>+3.05 | +0.91<br>+0.51<br>+0.60<br>+1.01<br>-0.60<br>+1.99 | ±1.5344<br>±1.5404<br>±1.0761<br>±1.3674<br>±1.5012<br>±1.6684<br>±4.0752 |  |
| Changes are for Ecs, therefore positive change denotes a weak correscy Adjustment calculated by Financial Times.  POUND SPOT- FORWARD AGAINST THE POUND |  |  |   |  |   |  |
|   | y's<br>mart  | Close  | One month   | % Time   |   |  |

| Dec.29   | Day's<br>spread  | Close  | One month   | 7.  | Three<br>mostls   | %<br>pa.   |
|--|--|--|---|---|---|--|
| US Carada Carada Netherlands Belgium Denmark Ireland W, Gerstany Portogal Sysis Italy Rocway France Sweden Japan Switzerland Switzerland | 11.784 - 11.82<br>10.904 - 10.944<br>11.004 - 11.034<br>22.45 - 22.54<br>22.46 - 22.58<br>2.76 - 2.714 | 1.7875 - 1.7925<br>2.1345 - 2.1375<br>3.604, 3.614,<br>67.10 - 67.20<br>12.364, 2.237,<br>1.1965 - 1.1915<br>33.35 - 284, 35<br>284, 60 - 204, 50<br>235, 254, 256,<br>11.79 - 11.86<br>10.915 - 10.929,<br>11.79 - 11.86<br>10.915 - 10.929,<br>10.915 - 10.929,<br>10. | 0.54-0.51cpm<br>0.51-0.41cpm<br>24-2cpm<br>33-23cpm<br>55-44-2cpm<br>0.50-0.43spm<br>0.50-0.43spm<br>17-13-2cpm<br>4-11repm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm<br>14-14-cpm | 9995555555580313195555<br>327554479680313195558 | 154-149pm<br>110-0-9-5pm<br>92-8-2pm<br>154-134-2pm<br>154-134-2pm<br>54-3-2pm<br>54-3-2pm<br>114-134-2pm<br>44-4-4-2pm<br>34-4-3-4pm<br>54-3-3-4pm<br>54-3-3-4pm<br>54-3-3-4pm | 4.6<br>4.4<br>7.11<br>0.8<br>0.8<br>0.9<br>4.0<br>2.2<br>7.9<br>6.7<br>7.6 |
|  | comertible francs. F   | nancial franc 67.25  | 7.35 . Six-month  | forward do                                      |   | 12 month   |

| Dec.29             | Day's<br><b>spread</b>   | Clase   | One month  | 7   | Tirez<br>montis  | %<br>pa  |
|--------------------|--|---|--|---|--|--|
| UK† belandt (amada | 37.35-37.65<br>6.894-6.93<br>1.7940-1.7940<br>1.674-1.474<br>114.39-114.99<br>13114-13214<br>6.58-6.614<br>6.09-6.124<br>6.14-6.18<br>125.45-126.25<br>12.554-12.615<br>12.554-12.615<br>12.500-1.5150 | 1.7875 · 1.7885<br>14715 · 14774<br>114.55 · 114.65<br>131515 · 13164<br>6.584 · 6.594<br>6.094 · 6.104<br>6.154 · 6.154<br>125.75 · 125.85 | 0.54-0.51cpm<br>0.28-0.33cb;<br>0.68-0.11cdi;<br>0.61-0.35cpm<br>7:00-5.00cpm<br>1.00-1.50cpm<br>1.00-1.50cpm<br>20-30cb;<br>2-3-0.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25cpm<br>30-1.25c | 3295<br>3295<br>3295<br>3295<br>3222<br>3222<br>3425<br>3425<br>3425<br>3425<br>3425<br>342 | 1.54-1.49pm<br>0.40-0.7Miss<br>0.42-0.44dis<br>1.76-1.72pm<br>19.00-15.00pm<br>2.50-1.75pm<br>179-180fis<br>8.40-9.40dis<br>1.15-0.55pm<br>1.40-1.85pm<br>1.40-1.85pm<br>1.40-1.85pm<br>1.45-1.42pm<br>the US dollar and | 374<br>1475<br>1325<br>1325<br>1325<br>1325<br>1325<br>1325<br>1325<br>132 |

|                        | <u> </u>               | HO   |                          | IENÇ  | Y IN  | TER  | EST   | RATE   | 3                         |   |
|------------------------|------------------------|--|--------------------------|---|---|--|---|--|---------------------------|---|
| Dec.2                  | 9                      | Short<br>term  | . 7                      | Days<br>otice   | One<br>Month  | N  | Dree<br>kaalks  | Six<br>Month   | s                         | One<br>Year   |
| terling                |                        | 13-123<br>93-93<br>18-93<br>58-58<br>65-53<br>82-86<br>7-65<br>5-43<br>83-93 | 99 54 6 8 1 7 7 48 9 9 6 | 121<br>1-74<br>1-51<br>1-51<br>1-51<br>1-51<br>1-51<br>1-74<br>1-74<br>1-84<br>1-84 | 128-12<br>93-94<br>101-1<br>51-5-4<br>41-45<br>51-5-1<br>82-81<br>71-73<br>71-73<br>71-73<br>71-73<br>91-91 | 9<br>10<br>5<br>4<br>5<br>8<br>12<br>7<br>7<br>4<br>8<br>9 | 121<br>121<br>134<br>144<br>145<br>147<br>147<br>147<br>147<br>147<br>147<br>147<br>147<br>147<br>147 | 13-12:<br>94-9;<br>11-13:<br>511-5;<br>45-4;<br>54-5;<br>81-8;<br>121-17:<br>71-7;<br>411-4;<br>81-6;<br>91 <sub>2</sub> -9; | 12777489                  | 12.95<br>11.54<br>13.54<br>13.54<br>13.54<br>13.54<br>13.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>14.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54<br>15.54 |
| Long te<br>sars 9[2-9] | n Eurodo<br>I per cent |  |                          |   |   |  | _   |  | 911-911 pe<br>es, tyro di | resst; file<br>gs' agtic  |
|                        |                        | Đ  | CHA                      | NGE   | CRC   | 88   | ATE   | 3  |                           |   |
| Dec.29                 | £                      | S  | Dim                      | Yen   | F Fr.   | S Ft.  | H FL  | Litra  | CS                        | 8 Fr.   |
| , <u>\$</u>            | 1<br>0.559             | 1.790<br>1   | 3 <i>2</i> 00<br>1,788   | 225.3<br>125.9  | 10.92<br>6.101  | 2.710<br>1.514   | 3613<br>2018  | 23%<br>13%   | 2137<br>1.194             | 67.15<br>37.51  |
|                        |                        |  |                          |   |   |  |   |  |                           |   |

|             |                | Đ     | CHA           | NGE            | CRC            | <b>188</b> | ATE            | \$    |            |              |
|-------------|----------------|-------|---------------|----------------|----------------|------------|----------------|-------|------------|--------------|
| Der 29      | £              | S     | DM            | Yea            | F Fr.          | S Fr.      | H FL           | Lira  | CS         | 8 Fr.        |
| Š           | 1              | 1.790 | 3 <i>2</i> 00 | 225.3          | 10.92          | 2.710      | 3613           | 23%   | 2137       | 67.1         |
|             | 0.559          | 1     | 1,788         | 125.9          | 6.101          | 1.514      | 2018           | 1316  | 1.194      | 37.5         |
| DM          | 0.313          | 0.559 | 1             | 70.41          | 3.413          | 0.847      | 1.129          | 736.3 | 0.668      | 20.90        |
| YEN         | 4.439          | 7.945 | 14.20         | 1000.          | 48.47          | 12.03      | 16.04          | 10457 | 9.485      | 298.0        |
| F Fr.       | 0.916          | 1.639 | 2930          | 206.3          | 10.            | 2.482      | 3.309          | 2158  | 1.957      | 61.4         |
| S Fr.       | 0.369          | 0.661 | 1.181         | 83.14          | 4.030          | 1          | 1.333          | 869.4 | 0.789      | 24.7         |
| H FI.       | 0.277          | 0.495 | 0.884         | 62.36          | 3.022          | 0.750      | 1              | 652.1 | 0.591      | 18.5         |
| Ura         | 0.424          | 0.760 |               | 93.63          | 4.635          | 1.150      | 1.534          | 1000, | 0.907      | 28.5         |
| CS<br>B Fr. | 0.468<br>1.489 | 0.838 | 1.497         | 105.4<br>335.5 | 5.110<br>16.26 | 1.266      | 1,691<br>5,380 | 1102  | 1<br>3.162 | 31.4<br>100. |

#### FINANCIAL FUTURES

# Gilts to have a half-day

Short sterling for March

delivery closed at the day's low

of 87.08, after opening near the day's high at 87.17. Wednes-day's close was 87.20.

March long gilt futures also weakened, finishing just above

the day's low at 95-16, compared with 95.22 previously.

and short gilt futures, and long

gilt option contracts will be for

Trading in the long, medium

STERLING DENOMINATED contracts continued to weaken in very thin trading on Liffe yesterday. A steady perfor-mance by the pound on the foreign exchanges provided some support, but in the absence of other factors the market viewed pessimistically the prospects for any early reduction in the level of UK bank base rates.



LIFFE E/S OPTIONS

| Strike<br>Price<br>165<br>170<br>175<br>180<br>185<br>190<br>195 | Calls-sel<br>Jan<br>1405<br>905<br>409<br>91<br>6<br>0 | Hemosts.<br>Feb<br>1405<br>905<br>465<br>194<br>60<br>13 | Pub-set<br>Jan<br>0<br>1<br>24<br>206<br>621<br>1115<br>1615 | Feb<br>5<br>31<br>131<br>360<br>726<br>1179<br>1668 |
|--|--|--|--|---|
| Estimated  | volume tot   | ai. Calls û  | Pags 0   |   |

Law 106.45 106.45 106.42 105.71

Clear High Low Pres. 180.80 180.90 179.95 179.40 183.65 183.80 182.60 182.50

88-31

Close High Low Pres. 95.46 95.54 95.40 95.45 94.80 94.85 94.84

1-mth 3-mth 6-mth 12-mth 17848 17749 17610 1,7410

Latest High Low Pres. 1,7776 1,7764 1,7760 1,7760 1,7610 1,7640 1,7500 1,7514

Lowbard Asternation

<del>1</del>2

One Year

Estimated Volume 3110 (21/18) Previous day's open int. 16770 (16696)

Est. Vol. (Inc. figs, not should) 3475 (3159) Previous day's ones int. 35417 (35445)

IS TREASURY ROOMS 8% 1300,000 Janes of 180%

Estimated Volume 870 (1221)
Previous day's open int., 8079 (7946)

6% NATIONAL GERMAN GOVT, JOHN DM 250,500 150th of 100%

Estimated Volume 713 (1259)
Previous day's open int., 10421 (10395)

PRUMP-S PRINCEN EXCENSES

3 ve 2 200 M312-120

Sport 1.7900

FT LONDON INTERBANK FIXING

THREE MONTH STENLIN C500,000 points of 1007

| Estimate<br>Previous   | i volume<br>day's ope | total, Ca<br>s int. Ca | jis û Par<br>jis 42 Pa  | s 0<br>to 3744   |   | Estic   | usted vol   | www total,<br>copen int.   | Calis O Pots<br>Calis 4985 i                                    | 45 6033<br>66   | <b>i</b>                         | Estina<br>Predo   | nted spless<br>ps day's o                                     | e total.<br>per int.                                | Calls 620<br>Calls 141                              | Puts 42<br>74 Puts )  | )<br>1458                         |
|--|-----------------------|------------------------|---|--|---|---|---|--|---|---|----------------------------------|---|---|---|---|---|-----------------------------------|
| PHILADE<br>131,250   | LPHEA S<br>Cetals pe  | E SIS OF               | TERMS   |  |   |   |   |  |   | SE E/S<br>(conts p  | OFTERNS<br>er SID                |   |   |   |   |   |                                   |
| Strike<br>Price<br>1.750<br>1.775<br>1.800<br>1.825<br>1.850<br>1.875<br>1.900<br>Previous | day's with            | ome: Call              | Mar<br>5.03<br>3.56<br>2.45<br>1.62<br>1.02<br>0.59<br>0.31<br>16,492 | 100<br>4.94<br>1.05<br>2.95<br>2.24<br>1.70<br>1.23<br>11 Puts 2 | Jan<br>0.32<br>0.99<br>2.20<br>3.99<br>6.33<br>8.73<br>11.19<br>269,436 | Feb<br>1.32<br>2.18,<br>3.55<br>5.26<br>7.24<br>9.42<br>11.73 | Mar<br>2.21<br>3.29<br>4.70<br>6.35<br>8.22<br>10.26<br>12.45 | J <sub>20</sub><br>4.59<br>5.96<br>7.27<br>8.85<br>10.58<br>12.43<br>14.39 | Strike Price 1.650 1.700 1.750 1.800 1.850 1.900 1.950 Estimate | Jac<br>16.15<br>11.15<br>6.25<br>2.35<br>0.90<br>1.05<br>day's op | 1130<br>720<br>315<br>125<br>125 | tilements<br>Mar<br>16-20<br>13-25<br>7-55<br>2-85<br>2-85<br>2-00<br>1-30<br>1-40<br>alls 1//A | Jun<br>17.45<br>12.00<br>8.80<br>4.70<br>2.90<br>2.29<br>0.60 | 120<br>0.45<br>0.55<br>1.50<br>1.80<br>3.70<br>6.00 | Pats-sai<br>Feb<br>130<br>245<br>450<br>325<br>1135 | tilements<br>Mar<br>0.90<br>1.20<br>2.50<br>5.30<br>8.80<br>8.45<br>20.40 | 3<br>2<br>4<br>6<br>9<br>14<br>20 |
| LOND   | DN CL                 | IFFE)                  |   |  |   | CH]   | CAGO  | 1  |   |   |                                  |   |   |   |   |   |                                   |

|  | SURY BURDS<br>32mb of 100                           |   | •   |  | JAPANE<br>Y12.54         | 2 MEA AJYO<br>25 AEM (BMMC) |            |
|--|---|---|---|--|--------------------------|-----------------------------|------------|
| Mar<br>Jan<br>Sep<br>Dec<br>Mar<br>Jun | Eatest<br>88-31<br>88-22<br>88-14<br>82-08<br>88-04 | High<br>89-05<br>88-27<br>88-18<br>88-19<br>88-04 | 88-30<br>88-22<br>88-14<br>88-06<br>88-04 | Prev.<br>89-01<br>88-24<br>88-16<br>83-09<br>83-04<br>87-31<br>87-26 | Mar<br>Jun<br>Sep<br>Dec | 0.8022<br>0.8121            | 0.1<br>0.1 |
| Sep<br>Dec<br>Mar                      | Ξ   | Ξ   | Ξ   | 87-18  |                          | E MARK COM                  | Ó          |
| Jea<br>Sep                             | :   | :   | :   | 87-14<br>87-10   | Mar<br>Jan<br>Sep        | 0.5636<br>0.5692            | 0.4        |
| 113, TRE/<br>\$10 pilo                 | 21E5 YEUZ<br>5 of 100%                              |   |   | <del></del>  | THREE-S<br>Sin pub       | eirte ejirgo<br>is el 101%  | Ш          |
| Mar<br>Jos                             | Latest<br>91.91<br>91.87                            | High<br>91.91<br>91.87                            | 91.89<br>91.86                            | Pres.<br>91.87<br>91.86  | <u> </u>                 | Latest<br>90.62             | 9          |

| et<br>iar<br>in      | 91.68                                | 91.68                              | :                                 | 91.75<br>91.75<br>91.71             | Sep<br>Dec<br>Mar<br>Jon<br>Sep | 90.54<br>90.35<br>90.40<br>90.34<br>90.29 | 90.36<br>90.36<br>90.43<br>90.37<br>90.32 | 90.53<br>90.34<br>90.37<br>90.32<br>90.21 | 90      |
|----------------------|--------------------------------------|------------------------------------|-----------------------------------|-------------------------------------|---------------------------------|---|---|---|---------|
| MISS FTE<br>+ 125,00 | ANC (TABI)<br>10 S per SFr           |                                    |                                   |                                     | STANDAR<br>S500 time            | o & Poots Si<br>E ladex                   | M BUDEX                                   |   |         |
| 27<br>19<br>5        | Latest<br>0.6664<br>0.6732<br>0.6920 | High<br>0.6677<br>0.6755<br>0.6830 | Low<br>0.6658<br>0.6730<br>0.6810 | Prev.<br>0.6670<br>0.6746<br>0.6825 | Mar<br>Jan<br>Sep               | Latest<br>281_10<br>284,20<br>287.00      | High<br>281.30<br>284.25<br>287.00        | 280.35<br>283.40<br>286.60                | 28X 28X |

Wells Fargo & Company U.S. \$150,000,000

Floating Rate Subordinated Notes due 1992 In accordance with the

provisions of the Notes, notice is hereby given that for the Interest period 30th December, 1988 to 31st January, 1989 the Notes will carry an Interest Rate of 9-725% per annum. Interest payable on the relevant interest payment date
31st January, 1989 will amount to US\$86-44 per US\$10,000
Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

**Wells Fargo** & Company

a shorter period than usual

today, although members of Liffe will still be able to exer-

cise long gilt options contracts

up to the normal time of 5 pm.

the cash market have obtained

permission from the Bank of

England to end trading for the

day at noon. Trading in gilts

on Liffe will also finish at

LIFFE FT-SE INDEX FUTURES OFFICE

LIFFE SHOT STEELING

Gilt-edged market makers in

U.S. \$100,000,000

Subordinated Floating Rate Capital Notes due September 1997

In accordance with the ovisions of the Notes, notice is hereby given that for the
Interest period
30th December, 1988 to
30th March, 1989
the Notes will carry an Interest
Rate of 9%% per annum. Interest payable on the relevant interest payment date 30th March, 1989 will amount to US\$239-06 per US\$10,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

Wells Fargo & Company

U.S. \$200,000,000

Floating Rate Subordinated Notes due 2000

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 30th December, 1988 to 31st January, 1989 the Notes will carry an Interest Rate of 9%% per annum. Interest payable on the relevant interest payable on the relevant

interest payment date
31st January, 1989 will amount
to US\$86.67 per US\$10,000 Note
and US\$433.33 per US\$50,000 Note. Agent Bank: Morgan Guaranty Trust Company of New York

Household Bank £s.b. U.S. \$100,000,000 Hateralized Floating Rate Notes due June 1996 For the three months 28th

December, 1988 to 28th March, 1989 the Notes will carry an interest rate of 9.525% per annum with an interest amount of U.S. \$1,190.63 per U.S. \$50,000 principal amount. The relevant interest payment date will be 28th March, 1989. Listed on the Lastenbourg Stock Euchange

# **ELECTRICITY**

FINANCIAL TIMES FRIDAY DECEMBER 30 1988

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MINIORIS OF DITION APPENDANCE HOUSE ASSOCIATION. \*Deposit NOW 5.22% Saverise 8.47%. To Ter-£10,000-instant access 11.72% § Mortgage base rate. § Demod deposit 8%. Mortgage 13.625% - 14.00%

1.50 1.90 2.70 9.20 5.50 5.70

TOTAL VOLUME IN CONTRACTS: 32,902

BASE LENDING RATES

Ciydestiale Bank ... Conton Bir III. East

Co-operative Bank Coetts & Co Cyprus Popular Bk ... Dunbar Bank PLC ... Duncan Lawrie .....

Equatorial Bank pic. Exeter Trest Ltd.

HFC Bank plc

● Hill Samuel

Financial & Ges. Bank First Mathemal Bank Pic. Robert Fleming & Co.... Robert Fraser & Piors.

U.S. \$400,000,000

The Kingdom of Belgium

Floating Rate Notes Due July, 2005

In accordance with the provisions of the Notes,

notice is hereby given that interest payable on 31st January, 1989 will amount to U.S.\$11,556-00 per

U.S.\$250,000 Note.

Interest rates applicable are as follows:

29th July 1988 to 31st Aug. 1988 - 81/2%

31st Aug. 1988 to 30th Sept. 1988 - 815/16%

30th Sept. 1988 to 31st Oct. 1988 - 811/15% 31st Oct. 1988 to 30th Nov. 1988 - 89/18%

30th Nov. 1988 to 30th Dec. 1988 - 9%% 30th Dec. 1988 to 31st Jan. 1989 - 95/8%

Agent Bank:

Morgan Guaranty Trust Company of New York

The Financial Times proposes to publish this survey on:

23rd January 1989

For a full editorial synopsis and advertisement details, please contact:

> **Penny Scott** on 01-248 8000 ext 3389

or write to her at:

Bracken House 10 Cannon Street London EC4P 4BY

**FINANCIAL TIMES** 

CONTINENTAL ILLINOIS OVERSEAS FINANCE CORPORATION N.V. (Incorporated with limited liability in the Netherlands Antilles) GUARANTEED FLOATING RATE SUBORDINATED NOTES DUE 1994 Guaranteed on a Subordinated basis by

Continental Illinois Corporation (incorporated with limited liability in Delaware, USA)

U.S.\$200,000,000

in accordance with the provisions of the Notes and the Reference Agency Agreement between Continental Illinois Overseas Finance Corporation N.V. and Citibank, N.A., dated June 24, 1982, notice is hereby given that the Rate of Interest has been fixed at 9-625% p.a. and that the interest payable on the relevant Interest Payment Date, March 31, 1989, against Coupon No. 27 will be U.S.\$243-30 in respect of U.S.\$10,000 nominal impount of the Notes.

December 30, 1988, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANG U.S.\$150,000,000 Floating Rate Participation Notes Due 1993 Issued by Prismbond GmbH for the purpose of making a loan to



CONSORZIO DI CREDITO PER LE OPERE PUBBLICHE ROME CONSONCIO IN CREATION FOR LE OPENE PUBBLICHE ROME!

Notice is hereby given that the interest payable on the relevant interest Payment. Date, january 31, 1989, for the period july 29, 1988 to january 31, 1989, against Coupon No. 7 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$464-93 and in respect of U.S.\$250,000 nominal of the Notes will be U.S.\$11,622-84. December 30, 1988, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

#### The finding rates are the arithmetic occurs rounded to the sources one-shakeoth, of the hild and offered rates for S10m anoted by the market to fine reference basis at 11.00 a.m. such storting day. The hasks are Matilotal Westminster Sante, Sante of Follyn, Doutsche Bante, Bante of Follyn Doutsche Bante, Bante of Follyn Doutsche Bante, Bante of Paris and Morgan Gosprany Trust. ary 3, at a rate of 122 p.c. In the afternoon £223m bills were purchased, including £217m outright, by way of £25m local authority bills in MONEY RATES NEW YORK Treasury Bills and Bonds band 1 at 12% p.c.; £180m bank bills in band 1 at 12% p.c.; and £12m Treasury bills in band 4 at 12% p.c. Another £6m bills were bought for resale to the market on January 3, at a rate of 12% p.c. Late assistance of around £110m was also pro-Tyro Months Cherolybi One Month 5.00-5.25 85-88 41-45 5.68-5.81 4.21875 115-117 7.50 63-84 5.30-5.50 83-83 vided. Bills maturing in official hands, repayment of late assistance, and a take-up of Trea-884 83-85 sury bills drained £59m, with Exchequer transactions absorbing £460m, and a rise in LONDON MONEY RATES the note circulation £115m. These factors outweighed bank Dec.29 balances above target, adding £15m to liquidity. In Frankfurt call money fell Interbank Offer Interbank Bid Sterling CDs. Local Authority Deps. Local Anthority Bonds Discount Mit Deps. Company Depotits Finance House Deposits Tressury Bills (Buy) Bank Bills (Buy) 1211 뱮 to 5.00-5.25 p.c. from 5.45-5.55 p.c. The return to the banking 12% 12% ū 1212 system of last week's pension payments, and an end of year inflow of corporate funds, helped improve liquidity. Bank Bills (Buy) Fine Trade Bills (Buy) ... Dollar CDs Some banks were reported to have already fulfilled their monthly reserve requirements, and were offering funds on the Treasury Bills (sell); one-month 12,2 per cent; three months 12,2 per cent; Bask Bills (sell); one-month 12,2 per cent; three months 12,2 per cent; threasury Bills; Average teader rate of discount 12,47x p.c. EGD Fixed Rate Sterling Export Finance. Make up day December 30, 1988. Agreed rates for period January 25, 1989. Scheme 11, 3,173 p.c. Local Authority and Finance Houses seven days notice, others seven days fixed. Finance Houses 8ase Rate 12½ from December 1, 1988. Bask Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tar Deposit (Series 6); Deposit £100,000 and over held under one month 7½ per cent; one-three months 9 per cent; three-six months 9 per cent; six-size months 9½ per cent; after-tassive months 9½ per cent; Under £100,000 7 per cent from July 5, 1988. Deposits withdrawn for cash 5 per cent. market yesterday. Credit conditions could

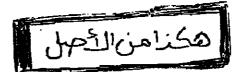
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|         | WORLD STOCK MARKETS  ANSTHEA CANADA  |  |  |  |  |  |  |  |  |  |  |
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|         | Province 20 del PRANCE (CONTRIBUT)   | GERMANY (CHEMINES) 11/2-Y (CHIMINES)   | other 29 Kroster + or -  |  |  |  |  |  |  |  |  |
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#### **AMERICA**

# Dow makes a brief foray above its post-crash high

#### Wall Street

A RUSH by money managers to cut the cash component of their portfolios and increase their exposure to the stock market was one factor that pushed the equity market briefly above its previous postcrash high, writes Jonet Bush in New York.

At 1 pm, the Dow Jones Industrial Average was quoted 14.64 points higher at 2,181.07.
The previous post-crash closing high of 2,183.50 was recorded on October 21. Yesterday morning, the Dow briefly touched a high of 2,187.50.

aging factors for the market yesterday. First, the dollar and US Treasury bonds looked relatively firm at the opening. Second, trading during this holi-day period has been so thin that the effect of rounds of stock index arbitrage between the futures and cash markets has been exaggerated. Stock index futures periodically traded at sharp premiums to the cash market and therefore prompted buying of underlying

However, yesterday did apparently see some genuine buying as institutional money managers moved into stocks to boost that proportion of their portfolios for the year-end.

150 Average daily volume Nov 27, to Dec 28, 1967 50 15 10 19 20 21 22 23 26 27 28 29 December 1988

This is a usual phenomenon. Portfolio managers prefer to show that they have put their clients' money to work in the financial markets rather than simply sitting on a pile of cash, the most cautious investment position to be in.

There also appears to be an element which is anticipating a stronger market in the new year and therefore does not want to go into the spring too

underweight in equities.

Volume remained low in spite of the buying, with only 82m shares changing hands by midsession. However, the fact that the equity market has been able to move higher in the face of considerable concern about US interest rates

sign. For some investors, the fact that the Dow may end the year at a post-crash high could give a psychological boost. Yesterday's advance came in

spite of another rise in the Federal Funds rate in the money market to a high of 9% per cent early in the session. The rate then came down to 9% per cent at midsession which some saw as a trigger for buying of equities in late morning. However, there did appear to

be some resistance to taking the Dow above its previous post-crash closing high. Chemicals stocks, Wednesday's star performers, contin-ued to do well, benefiting from news of Quantum's restructuring and special dividend. Quantum itself dipped \$% to \$106% after its surge of more than \$17 the previous day.

Among other featured stocks was One Price Clothing which dropped \$1% to \$10 in over-the-counter trading

#### Canada

LOWER gold prices depressed Toronto stocks, which were slightly lower in quiet early trading, with the composite index off 1.2 at 3,358.1. Declines outran advances by 87 to 51 on turnover of 1.8m shares. Among golds, Placer Dome slipped C\$¼ to C\$15.

# Gorby Rally is star of cheerless US show

# There was not much fun in a difficult year on Wall Street, writes Janet Bush

been for Wall Street that the highlight was the share rally that exploded as Mr Mik-hail Gorbachev, the Soviet leader, stepped off his plane at John F Kennedy Airport at the start of his tour of New York

earlier this month.

Quickly dubbed the "Gorby Rally", the only disappointment for equity dealers enjoy-ing the first real burst of buying for ages was that the General Secretary did not man-age a visit to the floor of the New York Stock Exchange to ring the closing bell.
"I had mixed feelings about it," said Mr Michael Creem, a

partner with Mercator Partners, a NYSE specialist firm. "I would rather he had been plan-ning to ring the opening bell than the closing one. It would have seemed like a symbolic end to capitalism."
Equity market traders may

not sense the imminent demise of capitalism, but the assessment of 1988 is a sombre one. The stock market is still suffering badly from the after-effects of the October 1987 crash and uncertainties about prospects for the economy have undernined any recovery in confi-

Institutional participation is very low, individual investors have never really returned as a force in the market, new equity issues have slumped to desultory levels, there have been net redemptions of mutual funds

T IS a measure of how dif-ficult and dull a year it has kerages, which relied almost exclusively on a retail cus-

"Did anything fun happen this year? Yes, I went on holi-day to Bermuda in August," said Mr Charles Eaton, vice president of equity trading at Nikko Securities in New York. "This is a year most people want to forget." The dominant feature of

trading in 1988 was the adher-ence of the leading indices to a narrow range, well within the highs and lows of 1987. Last year, the Dow Jones Industrial Average reached a high of 2,722.42 on August 25 and hit its low of 1,738.74 at the close of business on October 19. The peak this year was 2.183.50 on October 21. Just after the first anniversary of October 19, that surge to a post-crash high seemed a ges-ture of defiance. But, like other hopeful rallies, this one did not last long and was succeeded by

a slow drift downwards. Mr Brian Fernandez, managing director of Brean Murray, Foster Securities - one of the most successful money managers this year — said: "This has been an extremely dull show from beginning to end. I have never seen a long, flat line like this, even after 1929. There is nothing in my experience which quite parallels this."

There may, in fact, be a pre-cedent for this year of slow drifting within a narrowly conmarket, the Dow failed to

FT~A World Indices in £ terms World - / W. A. ŪŠ

breach the range set that year. When it did, it was on the downside, and it was not until 1974 that it finally topped the

1966 high. On the economic front, 1988 was a particularly confusing year with the overriding source of fear swinging from recession to overheating, back to recession and back again to overheating. As the year draws to a close, that see-sawing debate remains unresolved, with independent forecasters arguing convincingly both for fairly robust growth overall in 1989 and for a recession late

One of the favourite snippets of 1988 for Mr Laszlo Birinyl, equity strategist at Salomon Brothers, was the announce-ment that the New York classical radio station WQXR had decided to drop its daily stock

The reason cited was that one day its commentary noted that stocks had risen because the economy was growing strongly. The very next day the commentary said that stocks had gone down because the

economy was strong.
For Mr Birinyi, the most noteworthy characteristic of this year has been that Wall Street has risen by about 15 per cent against an average historical annual return of about 10 per cent. "In spite of the fact that we have outperformed historical standards, there is still a feeling that we are in a bear market. I find it

incredible," he said.

There is no doubt that the fruits have been unequally divided. Brokerages which rely primarily on commission-based retail husiness have seen earnings slump by about 35 per

cent to 40 per cent.
In spite of the dramatic nature of the stock market crash, the real nightmare on Wall Street in 1987 was bond trading, which shot a cannon-ball through capital balance sheets, according to Nikko's Mr Eaton. The story of 1988 has been the quiet, undramatic erosion of traditional equity

The headlines this year and the top performing stock lists on the main exchanges have been dominated by multi-billion takeovers and lever-aged buy-outs. As the year ends, the names of RJR

Nabisco, Mr Ross Johnson, the

chief executive, and Mossis Henry Kravis and George Roberts will be writ large.
The likes of Kohlberg, Kravis, Roberts have been 1988's money-spinners, sucking in pools of liquidity and piling up mountains of junk debt. While the securities industry as a whole has become accustomed to dealing in tried and tested safety investments such as Certificates of Deposit and Treasury bills, the mergers and acquisition kingpins measure their performance (and their fees) in billions.

After all the controversy

over programme trading by large institutions — and the publication of monthly figures showing that the proportion of trades on the NYSE accounted trades. for by these computerised trading strategies has dropped from 1987 levels – perhaps an appropriate footnote for 1988 can be found in the movements on the makes that the pales of the perhaps and the movements of the perhaps of the p on the Tokyo Stock Exchange on December 7.

The Nikkei 225 index jumped nearly 300 points in the last half hour that day, taking the index to a record high of 30,050.82. Local dealers attri-buted that move almost exclu-sively to stock index arbitrage activity by companies such as Morgan Stanley and Salomon Brothers. Two thirds of the gains were wiped out within the first 15 minutes of Decem-

Perhaps the baton has now truly passed from Wall Street to Marunouchi, Tokyo's finan-

# Special situation stocks buoy Paris Profit-taking dominates in light turnover

THE LAST day of trading this year for several European bourses ended with shares little changed in thin volumes. Positive economic fundamentals helped Amsterdam reach another high for 1988 and Paris saw the return of special situa-tion trading, *writes Our Mar-*kels Staff. Frankfurt, Zurich, Amsterdam and Brussels are

closed today.

PARIS was buoyed by special interest stories although share movements were exaggerated by low volumes. The opening CAC General index eased 0.4 to 412.3 and the OMF 50 index rose 3.18 to 431.86.

Peugeot had a powerful session, climbing FFr38 to FFr1368, having been as high as FFr1374 Suez, which said it had raised its stake in construction company Bouygues to 5 per cent from 3.96 per cent, put on FFr2.90 to FFr390.90. Bouygues added FFr2 to

Alsthom was strong again, climbing FFr2.10 to FFr416, while CGE – the major share-holder in Alsthom – added 20 centimes to FFr400.10, amid talk that it would soon launch a FFr3.5bn convertible bond

Speculative trading centred on retailing stocks after New Zealand entrepreneur Mr Ron Brierley announced that he had increased to 5 per cent his stakes in Galeries Lafayette – up FFr20 at FFr605 - and BHV off FFr1.50 at FFr483.60 after

FRANKFURT ended the final day's trading of 1988 with shares slightly lower in quiet trading. Traders appeared to have marked prices down to ensure 1989 would start with gains rather than profit-taking,

At midsession the FAZ index was 0.34 easier at 549.86 and by the close the DAX index was down 5.9 at 1,327.8 on turnover worth DM1.7bn.

Chemicals group BASF was one of the heaviest fallers, dropping DM3.90 to DM279.60 amid talk that employees were selling their 1988 bonus shares on expiry of the sell restriction. Elsewhere in the sector Bayer eased DM2.80 to DM306.50 and Hoechst shed DM2 to DM305.50.

MILAN closed slightly easier in lacklustre trading as early gains on the back of demand 0.43 at 590.37.

L60 firmer at L45,250 - on rumours that the group is planning a healthy bonus issue. The insurance sector remains unsettled by the dispute

ernment over rises in premiums for motor cover. The insurers have asked the Government to approve a 19 per cent jump in rates next year, but observers say the authorities are unlikely to approve anything over 10 per cent. Generali closed L70 lower

at L44.250. AMSTERDAM brought the curtain down on 1988 trading with another new high for the year, although late profit-tak-ing once again meant shares

closed below the day's peaks. Sentiment remains positive on good macro-economic fundamentals say dealers, with the market expecting positive new year statements from most leading companies. At the close the CBS allshare index was up 0.8 at 107.0 - another peak for the year. The main feature of the day

was the return of takeover

speculation to shipping group Nedlloyd. Talk that Holland America Line is planning a bid it a De out by late selling pressure.

The Comit index ended down

high of F1 282.50 at midday, before the shares eased back to close up Fl 5 at Fl 278.50 on Investors flocked to RAS active trading.

ZURICH closed the year on a strong note, underpinned by

942.4, leaving it just below its high for the year of 943.8, reached in early November. BRUSSELS closed firmer as investors pushed shares higher in order to maximise year-end

portfolio values. At the end of trading the cash index was up 31.1 at 5,565.5. Among the best performers were stores group GB-Inno, which climbed BFr8 to BFr1.346 on bullish prospects for the retail sector and chemi-

cal group UCB, up BFr280 at BFr9,250 in a thin market. STOCKHOLM closed at an all-time high despite seeing shares retreat from strong

At the end of trading the Affärsvärlden index was 0.7 firmer at 1.014.0 on turnover worth SKr300m.

MADRID saw an uninspiring session end with a slight fall on selective end-of-year profit-taking. The general index closed 0.11 easier at 272.96.

### **SOUTH AFRICA**

**DULL** trading in Johannes left share prices virtually

cents down at R17.85.

PROFIT-TAKING after recent gains and the absence of a lead from overseas left the Asia Pacific markets easier in light

trading. Tokyo was closed.

AUSTRALIA was boosted by trading linked to the expiry of the December options series, but with most institutions on holiday, volumes remained thin and gains few and far between. The All Ordinaries index closed unchanged at 1,486.4 on light turnover.

Banks were again actively traded - the sector accounted for almost half the day's total turnover - with Westpac advancing 6 cents to A\$5.60 as investors bought the stock

before it goes ex-dividend today. ANZ rose 4 cents to A\$5.48 while National Australia fell 4 cents to A\$6.22.

HONG KONG fell prey to profit-taking after Wednesday's good gelts but lets because

good gains, but late bargain-buying helped repair some of the damage. At the close the Hang Seng index was 4.04 lower at 2,692.40 on turnover worth HK\$740m. The most heavily traded

stock was Hongkong Land, up 5 cents at HK\$9.10. TAIWAN ended a turbulent year with a sharp fall in share prices prompted by worries over higher oil prices and reimposition of a capital gains tax - scheduled for the new year - added to the gloom. The weighted index closed 226.35 lower at 5,119.11. Banks were particularly heavily sold. with many posting the daily maximum loss allowed by the exchange of 5 per cent. Chang Hwa Commercial dropped TS29 to T\$569, First Commercial

nercial T\$29 to T\$568. The Taiwan Stock Exchange announced the introduction of two new stock indices when the market reopens on January 5. The first will be based on the composite stock price average of 30 industrials, including the

service sector, while the second will use the stock price average of 20 industrials, excluding the service sector. It is believed the new indices

are being introduced to counter complaints that the existing weighted index does not reflect the market's true performance, because the banking sector makes up over T\$28 to T\$549 and Hua Nan 40 per cent of the index.

SINGAPORE was hit by profit-taking as three days of rises ended on the absence of a lead from Tokyo. The Straits Times industrial index lost 2.73 to 1,044.20 as 24m shares changed hands. Most business was in property and Malaysian stocks.

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#### the firmer dollar and demand for banks. The Crédit Suisse index added 2.6 to 524.4 and the between insurers and the Gov- all share index put on 4.8 to

IFC EMERGING MARKETS INDICES

|               | _                |                  |                                    | PRS                               | ¥                        | _                                  |                                      |                  | TOTAL RETURN | 1 ·                       |
|---------------|------------------|------------------|------------------------------------|-----------------------------------|--------------------------|------------------------------------|--------------------------------------|------------------|--------------|---------------------------|
| Market        | No. ol<br>stocks | November<br>1988 | % Change<br>on Oct<br>(Dollar terr | % Change on<br>Dec 31 '87<br>113) | November<br>1968<br>(Loc | % Change<br>on Oct<br>cal currency | % Change on<br>Dec 31 '87'<br>terms) | November<br>1988 |              | % Change on<br>Dec 31 '87 |
| Latin America | (158)            | 143.1            | 3,1                                | 65.7                              |                          |                                    |                                      | 186.9            | 4.8          | 81.0                      |
| Argentina     | (24)             | 175.3            | - 14.2                             | 28.4                              | 15,023.4                 | - 10.5                             | 467.2                                | 194.5            | -13.4        | 37.2                      |
| Srazii        | (57)             | 76.5             | -4.3                               | 69.4                              | 13,356.7                 | 17.2                               | 1258.0                               | 104.6            | - 1.5        | 90.8                      |
| Chile         | (25)             | 445.5            | 6.8                                | 19.1                              | 843.2                    | 5.9                                | 25.5                                 | 669.8            | 7.0          | 32.1                      |
| Mexico        | (52)             | 372.6            | 15.2                               | 112.9                             | 4,451.4                  | 15.2                               | 123.5                                | 480.9            | 15.2         | 122.8                     |
| Asia          | (205)            | 322.5            | 8.7                                | 95.6                              |                          |                                    | _                                    | 394.9            | 8.8          | 104.0                     |
| Korea         | (62)             | 423.2            | 12.1                               | 72.4                              | 352.0                    | 9.5                                | 49.2                                 | 692.1            | 12.2         | 89.4                      |
| Malaysia      | (62)             | 106.5            | -0.2                               | 19.5                              | 117.6                    | 0.0                                | 28.6                                 | 123.6            | -0.1         | 26.2                      |
| Taiwan        | (62)             | 886.8            | 9.8                                | 161.7                             | 631.2                    | 8.3                                | 158.0                                | 966.0            | 9.8          | 164.9                     |
| Thailand      | (19)             | 222.0            | -6.1                               | 33.0                              | 204.9                    | -6.5                               | 32.3                                 | 362.2            | -6.1         | 43.1                      |

### FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

| NATIONAL AND<br>REGIONAL MARKETS   |  | WEDNES  | DAY DECEM   | ER 28 1988  |  | TUESD   | AY DECEMBE   | R 27 1988  | Di   | OLLAR INC  | ex   |
|--|--|---|---|---|--|---|--|--|--|--|--|
| Figures in parentheses<br>show number of stocks<br>per grouping  | US<br>Dollar<br>Index  | Day's<br>Change<br>·%   | Pound<br>Sterling<br>Index  | Local<br>Currency<br>Index  | Gross<br>Div.<br>Yield   | US<br>Dollar<br>Index   | Pound<br>Sterling<br>index   | Local<br>Currency<br>Index   | 1988<br>High   | 1988<br>Low  | Year<br>ago<br>(approx)  |
| Australia (90) Austria (18) Belgium (63) Canada (125) Denmark (39) Finland (26) France (130) West Germany (102) Hong Kong (46) Ireland (18) Italy (98) Japan (456) Malaysia (36) Mexico (13) Netherland (38) New Zealand (25) South Africa (60) South Africa (60) Spain (42) Sweden (35) Switzerland (37) United Kingdom (315) USA (572) | 95.10<br>133.44<br>124.47<br>153.62<br>129.04<br>112.44<br>87.46<br>111.66<br>129.06<br>84.63<br>190.89<br>143.67<br>163.30<br>111.21<br>66.77 | 9.12.88.09.18.25.5.0.4.10.4.8.5.5.29.6.5.1.1.1.2.4.8.5.29.6.5.29.6.5.1.1.1.2.4.8.5.29.6.5.20.20.6.5.20.20.20.20.20.20.20.20.20.20.20.20.20. | 120.28<br>78.81<br>110.59<br>103.15<br>127.31<br>106.94<br>93.18<br>72.48<br>92.53<br>106.95<br>70.13<br>158.19<br>119.07<br>135.33<br>92.16<br>55.34<br>119.41<br>64.03<br>110.45<br>93.60 | 112.85<br>82.58<br>124.23<br>107.66<br>144.84<br>113.54<br>107.72<br>81.37<br>111.95<br>122.05<br>83.24<br>150.29<br>406.32<br>102.56<br>113.11<br>150.29<br>406.32<br>125.68<br>113.11<br>150.29<br>406.32<br>125.68<br>113.11<br>113.18<br>126.64<br>131.88 | 4.75<br>2.78<br>4.06<br>3.38<br>2.09<br>1.48<br>3.02<br>2.32<br>4.63<br>4.13<br>2.43<br>0.50<br>1.25<br>4.81<br>2.40<br>4.81<br>2.40<br>4.70<br>3.22<br>2.17<br>2.17<br>2.17<br>2.14<br>4.86 | 144.93<br>96.25<br>134.55<br>124.42<br>155.02<br>128.96<br>113.32<br>88.54<br>110.00<br>130.36<br>84.98<br>191.18<br>143.62<br>165.55<br>112.13<br>67.10<br>139.33<br>124.56<br>115.90<br>146.18<br>144.82<br>77.19 | 119.08<br>79.08<br>110.52<br>127.38<br>105.95<br>93.10<br>72.75<br>90.37<br>107.10<br>69.82<br>157.07<br>118.00<br>136.02<br>92.13<br>114.47<br>102.34<br>95.22<br>120.10<br>148.98<br>63.42<br>109.57 | 112.84<br>88.75<br>123.77<br>144.90<br>112.65<br>107.73<br>81.80<br>110.205<br>83.03<br>150.86<br>149.57<br>413.60<br>102.66<br>111.59<br>98.38<br>126.67<br>131.28<br>71.11 | 152.31<br>100.00<br>139.89<br>128.91<br>159.19<br>139.83<br>113.32<br>88.54<br>111.86<br>144.25<br>86.73<br>191.12.38<br>191.12.38<br>84.05<br>140.03<br>135.89<br>139.07<br>164.47<br>144.97<br>86.75<br>141.51 | 91.16<br>83.72<br>99.14<br>107.06<br>111.42<br>106.78<br>72.77<br>67.78<br>84.60<br>62.99<br>133.61<br>107.83<br>90.07<br>95.23<br>98.55<br>97.99<br>98.26<br>130.73<br>96.92<br>74.13<br>120.66 | 102.69 · 99.03 · 102.22 · 110.57 · 114.15 · 86.27 · 76.32 · 88.43 · 106.30 · 77.24 · 139.10 · 103.36 · 99.15 · 75.79 · 101.47 · 97.42 · 135.55 · 131.21 · 98.30 · 124.49 |
| Europe (1006). Pacific Başin (679). Euro-Pacific (1685). North America (697). Europe Ex. UK (691). Pacific Ex. UK (691). World Ex. US (1883). World Ex. US (2140). World Ex. US (2140). World Ex. Japan (1999).  | 113.07<br>185.79<br>156.67<br>113.55<br>100.19<br>124.82<br>155.16<br>139.51<br>139.08<br>113.93   | -0.1<br>-0.2<br>+0.8<br>+0.6<br>-0.1<br>-0.1  | 93.70<br>153.96<br>129.83<br>94.10<br>83.03<br>103.44<br>128.58<br>115.62<br>115.62<br>94.41  | 112.94<br>100.11<br>148.04<br>129.06<br>112.64<br>93.94<br>106.82<br>128.18<br>124.34<br>123.17<br>108.05   | 3.67<br>3.75<br>0.72<br>1.60<br>3.65<br>2.90<br>4.65<br>1.68<br>2.26<br>3.74   | 112.80<br>113.59<br>185.99<br>157.00<br>113.41<br>100.95<br>124.11<br>155.46<br>139.66<br>139.23<br>114.00  | 92.67<br>93.32<br>152.81<br>128.99<br>93.18<br>82.94<br>101.97<br>127.73<br>114.74<br>114.39<br>93.66  | 99.77<br>147.56<br>128.63<br>112.51<br>93.94<br>106.20<br>127.77<br>124.08<br>122.85<br>107.82   | 115.55<br>116.61<br>185.99<br>158.08<br>116.07<br>101.29<br>128.27<br>156.39<br>139.56<br>139.52<br>115.54   | 99.19<br>97.01<br>130.81<br>120.36<br>99.78<br>80.27<br>87.51<br>120.26<br>111.77<br>113.26<br>100.00  | 100.90<br>104.84<br>135.72<br>123.42<br>101.42<br>86.44<br>95.01<br>123.10<br>112.53<br>114.35<br>102.72   |

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115,037 (US S Index), 90,791 (Pound Sterling) and 94.94 (Local). Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited. 1987 Irish market closed December 28.A full update of Danish prices was unavailable December 28. Latest prices were unavailable for this edition.

A weaker bullion price pushed some gold stocks a lit-tle lower, with Vaal Reefs off dsrand 40

# **COMPANY NOTICES**

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN RYOBI LIMITED EDR Holders are informed that Ryobi Limited has paid a dividend to holders of record th September 1985 of Yen 3.75 per Yen 50 Share of Common Stock and the Depositary a converted the net amount, after deduction of Japanese withholding taxes, into United



| month beares but trak        | or 10/non zuenes stanger Coute                     | ME NO.10           |
|------------------------------|--|--------------------|
| Gress Dividend<br>US\$301.20 | Dividend less 15%<br>Withholding Tax<br>US\$256.02 | Divid<br>With<br>U |

30 December 1988

### **NZI CAPITAL CORPORATION**

YEN 10,000,000,000 Guaranteed Floating Rate Notes due 1992

In accordance with the description of the Notes, notice is hereby given that, for the interest period December 29, 1988 to June 29, 1989, the Notes will carry an interest rate at 5.1% p.a.

The interest payable on June 29, 1989 against coupon nº 4 will be YEN 254,290 per Note of YEN 10,000,000.

The Agent Bank
THE TALYO KOBE BANK LIMITED

Morgan Guaranty Trust Company of New York

A distribution of \$ 0.4816 per depository where less any applicable touse on and after December 25, 1985 upon presentation of coupon No 31 following offices:

- MORGAN GUARANTY TRUST COMPANY OF NEW YORK

- 1, Angel Court - LONDON - BANGUE GEREPALE DU LUXEMBOURG Rue Akkringen 14

US \$75 MILLION GUARANTEED FLOKTING NO 5/2 RELLION GURNANTEED FLOATING RATE NOTES EXTENDED AND DUE 1989 The Interest rate applicable to the above Notes in respect of the six month period commencing SOth December 1988 has been fixed at 94/56 per areaum. The interest amounting to US \$49.29 been fixed at 94/% per amoun.
The Interest amounting to US \$49,29 per bond of US \$1,000 nominal to US \$492.92 per bond of US \$1,000 nominal and to US \$4929.17 per bond of US \$1,000 nominal and to US \$4929.17 per bond of US \$100,000 nominal, will be paid on Friday 30th June 1989 against presentation of Goupon Ho.20.

\$ANK LEUMI TRUST COMPANY OF NEW YORK Principal Paying Agent
The Part of The Paying Agent
The Part of The Paying Agent

LEUMI INTERNATIONAL

### **PUBLIC NOTICES NOTICE OF APPOINTMENT OF**

LIQUIDATOR PURSUANT TO SECTION 108 BISOLVENCY ACT 1988 of company: Stewart Wrightsox wited

ings pic Liquidations' mame and address; John Alfred George Alexander, 1 Puddle Dock, Black-Irlans, London ECAV 3PD Date of appointment: 10th December 1986

# HR MANAGED ASSETS

Restalated Office: 23, rate dos Stuybrus, L. Grand Ducby of Luxumbs

are hereby convened as attend the Annual General Meeting of Shareholders to be held at the registered office of the Company on the Jensey, 1968 at 11 s.m. with the Annual Ing AGENDA:

per. 1968.

Appropriation of net profits and appropriation of the interim dividend paid to shareholders of the Global Income Fund on 17th June, 1968.

Discharge of the Directors.

Bection, re-election of Directors.

Affections.

The holders of bearer shares should deposit their shares at least five clear days in advance at Banque Gásérale de Luternbourg, 27, avenue Monterey, L - 2851 Lusembourg, Grand Duchy of Luxembourg.

### INTERNATION PROPERTY GREECE FOR SALE

IN THE HIGH COURT OF JUSTICE No. 006588 of 1988 CHANCERY DIVISION MR JUSTICE HOFFMANN Monday 12th December 1968 IN THE MATTER OF INDUSTRIES pic

- and -IN THE MATTER OF

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Charactry Division) deted 12th December 1985 confirming the cancellation of the State Provision Accoun-of the above-named Company as at 19th

or the above-named Company as at 19th October 1998 amounting to 127,328,178,18 was registered with the Registrar of Compa-nice on 15th December 1998. Dated this 30th day of December 1956

Herbert Smith Wating House 35 Cathon Street London EC4M 65D Fet: 01 469 8000 Fet: 19/C31 Rectifors for the et

THE INSOLVENCY ACT 1988 VINCEMARK LIMITED

son 98 of the Insolvency Act 1986 that a Meeting of Creditors of the above company will be held at Grant Thombon House, Eustron Square, Melton Street, London 1997 at 10.30 am on 10 January 1980 for the purposes provided for in Sections 100 and 1994 said Act.

DATED THIS 16TH DAY OF DECEMBER 1968

GEOFURD U.S. EQUITIES SICAY

d Office: 14 Books NOTICE

Shareholders are advised that an important action from the Roard of Disasters interested

Copies of the Motice are being east by post to registered sharebokiers

The Sound of Directors 23rd December, 1998

GREEK INVESTMENTS

# LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE No. 005868 of 1988 CHANCERY DIVISION MR. JUSTICE HOFFMANN IN THE MATTER OF VIRGIN GROUP ple

- and -IN MATTER OF THE COMPANIES ACT 1986 NOTICE is hereby given that the Order of the

NOTICE is hereby given that the Order of the High Court of Justice Chancery Division dated the 19th day of December 1988 samptioning a Scheme of Arrangement and confirming the Reduction of Capital of the above-named Company from \$30,634,068,20 to E19,188,681,40 and the Minute approved by the Court showing with respect to the Shere Capital of the Company as altered, the several particulars required by the above Ad ware registered by the Registrar of Companies on the 23rd day of December 1988. DATED the 23rd day of December 1988.

> IN THE MATTER OF VINCEMARK LIMITED

AND IN THE MATTER OF THE

INSOLVENCY RULES 1966 in accordance with Rule 4.106 of The insolvency Rules. 1985 notice is hereby given that isn Densid Williams of Grant Thornton, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP was appointed figured to the space of the space.